



HUMBERSIDE
POLICE & CRIME
COMMISSIONER



Serving our communities to
make them safer and stronger

THE POLICE AND CRIME COMMISSIONER FOR HUMBERSIDE

FINANCIAL STATEMENTS

2024/25

FINAL

CONTENTS

	Page
Narrative Report to the Statement of Accounts	2
Independent Auditor's Report to the Police and Crime Commissioner for Humberside	10
Statement of Responsibilities for the Statement of Accounts	14
Comprehensive Income and Expenditure Statements for the PCC Group and PCC	15
Movement in Reserves Statements for the PCC Group and PCC	17
Balance Sheet for the PCC Group and PCC	19
Cash Flow Statement for the PCC Group	20
Statement of Accounting Policies	21
Notes to the Core Financial Statements	32
Police Pension Fund Accounts	84
Glossary of Accounting Terms	87

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS

INTRODUCTION TO THE HUMBERSIDE POLICE FORCE AREA

The Statement of Accounts summarises the financial performance of the Police and Crime Commissioner (PCC) Group for the year ended 31 March 2025. These accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The purpose of the narrative report is to offer interested parties a fair, balanced and easily understandable guide to the most significant matters reported in the accounts. The inevitable use of technical language has been kept to a minimum. A 'Glossary of Terms' (to help explain some of the technical terms) can be found in the appendices.

ABOUT THE PCC FOR HUMBERSIDE

The Humberside Police Force area is located on the north east coast of England, equidistant from London, Edinburgh and Rotterdam. It covers the local authority areas of the East Riding of Yorkshire, Kingston upon Hull, North East Lincolnshire and North Lincolnshire.

It has a total area of c1,300 square miles around the Humber Estuary and has a population of over 900,000. Nearly 90% of the area is rural. Its main settlement and commercial capital is Kingston upon Hull. Major settlements include the port of Grimsby, Cleethorpes, Bridlington, Scunthorpe, Beverley and Goole, the UK's most inland port.

The area maintains its strong maritime heritage and the port infrastructure accounts for more than 15% of the UK overseas trade. It is estimated that one million people a year travel to and from continental Europe by ferry via Hull and a further quarter of a million people travel on domestic and international flights from Humberside Airport.

Jonathan Evison is the PCC (re-elected in May 2024), and Chris Todd is the Chief Constable appointed in April 2025. The PCC's Police and Crime Plan covers the period 2024-29.

The Chief Constable has developed a 'Plan on a page', refreshed in December 2023, which is included on the next page.

CULTURE, VALUES AND BEHAVIOURS

Our values are that we always act with **Fairness, Integrity and Respect** and deliver policing with **Professionalism, Compassion** and a strong **Victim Focus**.



To deliver our mission and create the culture we want, we will:

- Ensure Humberside Police continues to be a place where our people feel engaged, can be themselves and are proud to work for an organisation that our communities trust.
- Empower our staff and communities to have a voice, which is listened to and that makes a difference.
- Continue to pursue innovation so that it is seen as a big part of who we are.

We recognise that the public come first, but how we involve, value and treat our staff is fundamental to us ensuring that we can serve our communities to make them safer and stronger. Every single person in Humberside Police has a role to play in bringing these values to life.

PEOPLE

Our staff are the key to our success, we will:



Support and promote the health, wellbeing and psychological safety of our staff

- To support their physical and mental wellbeing.
- Create an environment where people are developed and talent is recognised, encouraging them to be accountable, take personal responsibility, recognising problems and responding quickly with solutions.



Retain and develop the best people

- Through a culture of continuous improvement and organisational learning, provide our staff with the skills they require to respond to the increasingly complex demands that we face.
- Develop diverse leaders who lead by example, are positive role models and who gain trust and respect by actively listening to the needs of their staff and the communities we serve.



Be an employer of choice

- Build on our reputation as a great place to work.
- Attract, recruit and retain talented and passionate people who reflect our diverse communities and our values.

EXCELLENCE

To continuously improve and deliver sustained excellence, we will:



Provide communities and victims with excellent service, supporting people through their experiences whilst conducting investigations professionally with vigour and transparency

- Effectively align our resources to meet both current and future demand.
- Develop the most effective and efficient working practices to deliver value for money.



Drive innovation and transformation

- Support our staff to proactively put forward new ideas about how to work better and improve performance.
- Continue our commitment to support change initiatives and new ideas.
- Continue with our investment in digital innovation to transform our services.
- Effectively analyse and apply data to ensure the most efficient use of resources.



Apply organisational learning

- Continue to learn and develop from what has gone well and what has not gone so well.
- Create a safe and transparent learning environment that allow us to clarify and verify the outcomes of our actions.

PARTNERSHIPS

To provide the right services, we will:



Be accessible to, and engage with, our partners

- Work together with our communities, partners, third sector organisations and volunteers to deliver services that improve people's lives.
- Work with partners to ensure that we can identify, assess and effectively manage the most vulnerable in our communities and jointly provide long-term solutions.



Understand and prioritise the needs and demands in our communities

- Recognise the diverse challenges of our communities, responding to those who require our help and that of our partners, ensuring we work together to protect those who are most vulnerable.



Through effective partnership working

- Work together to develop effective preventative strategies and services which focus on multi agency delivery.
- Utilising early intervention, work to ensure those in need of additional support will receive the right care by the right organisation.

COMMUNITIES

Continue to serve our communities to make them safer and stronger:



Deliver a visible and accessible police service

- Continue our focus on a place based policing service that has victims at its core.
- Our Neighbourhood Policing Teams will lead on the delivery of Problem Orientated Policing, incorporating early intervention and crime prevention, supported by the wider organisation.



Prevent, reduce and investigate crime and anti-social behaviour (ASB)

- Provide a victim focused service and safeguard vulnerable people.
- Deliver proactive and preventative activities to reduce crime and ASB, including the proactive management of offenders.
- Continue to proactively target and disrupt organised crime groups.



Continue to build trust and confidence

- We will communicate openly and honestly with the public, ensuring that our actions and intentions align.
- Give a voice to our communities by actively seeking and listening to their feedback to improve our response in line with their needs.
- Ensure that we treat everyone with fairness, respect and compassion.



FORCE PERFORMANCE

Key Performance Indicators: 12 months to March 2025



POLICE AND CRIME COMMISSIONER PERFORMANCE

Our journey over the last year as the Office of the Police and Crime Commissioner (OPCC)

We continued to make things better for you and our work remains far wider than oversight of the police.

The OPCC replicates the Vision, Mission and Values set out in the Police and Crime Plan. Our organisational values have the acronym of ACE IT!

Ambition, Compassion, Enabling, Integrity and Trust

The new Police and Crime Plan runs from 2024 to 2029 and includes three aims:

1. Engaged, Resilient and Inclusive Communities – provide pathways for everyone to contribute to the safety of our communities.
2. Safer Communities – focus activities on interventions that significantly impact on local crime levels.
3. Effective Organisations – make the system work better for local communities.

Each of the aims has a series of outcomes and objectives that demonstrate what we will do to achieve the aims. The plan exists to provide strategic direction to the Force and all partners operating around community safety.

The OPCC continued to engage with partners to promote the aims of the Police and Crime Plan, notably the statutory partners of the Community Safety Partnerships and members of the Criminal Justice Board as well as other stakeholders of interest.

The Police and Crime Plan can be found on the OPCC website at <https://www.humberside-pcc.gov.uk/>

The structure of the OPCC continued to flex and change to meet the needs of the Police and Crime Plan and any additional responsibilities provided to the PCC through legislative and changes.

Our two teams:

- **Assurance and Statutory Duties Team:** continued to support the PCC to carry out their statutory responsibilities of holding the Chief Constable to account, as well as ensuring business as usual was maintained for a broad portfolio of activity such as community engagement and involvement of volunteers in scrutiny, providing a professional support and administrative function, managing the Independent Custody Visitor (ICV) scheme, providing communication and media expertise, acting as the point of contact for members of the public wishing to enact their right of review for the way a complaint was handled by the police, managing Freedom of Information requests, and ensuring transparency in decision making.
- **Policy and Partnerships Team:** continued to support the PCC around commissioning services, funding, partnerships and public health programmes, as well as supporting the Criminal Justice Board, managing grants provision with the four Community Safety Partnerships, co-ordinating communication with the business community, co-ordinating grant provision and communication with Youth Offending Services and Safeguarding Boards, commissioning key services including victim-related services, putting in place robust arrangements to manage contracts, leading the bidding process for grants and funding opportunities, managing the Affected By Crime (ABC) hub, leading a partnerships approach to reduce domestic abuse through a public health methodology, working collaboratively to address serious violence through the Violence Prevention Partnership (VPP), and creating opportunities through our Education Partnership work.

Our Delivery Plan 2024-25 outlined the range of work undertaken during the year (<https://www.humberside-pcc.gov.uk/corporate-information/reports-plans>), and in mid-2025 the Annual Report covering 2024-25 performance will be published.

CHIEF FINANCE OFFICER'S STATEMENT

This is the Statements of Accounts for the PCC for Humberside for 2024/25.

The accounts provide a record of the financial position and performance for the year and incorporate transactions relating to the Force, the PCC and for the PCC Group reflecting the combined position of both organisations.

The PCC Group position represents the consolidated financial statements of the PCC and the subsidiary, the Chief Constable. Where the PCC Group position differs from the PCC position this is made clear in the financial statements and notes.

Separate statutory financial statements have been prepared for the Chief Constable.

Annual Governance Statements for the PCC and for Humberside Police for 2024/25 have been published separately and are available on the PCC and Force websites.

Explanation of Accounting Statements

The financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting.

The financial statements reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Police Reform and Social Responsibility Act 2011 (PRSRA);
- The Home Office Financial Management Code of Practice for the Police Forces for England and Wales and Fire and Rescue Authorities created under Section 4A of the Fire and Rescue Services Act 2004 (July 2018).

The Corporate Governance Framework includes:-

- A statement of corporate governance – statutory framework and local policy;
- A code of corporate governance – setting out how the good governance core principles will be implemented;
- A scheme of corporate governance – defines the parameters within which the corporations sole will conduct their business;
- Separate policy and procedures for each corporation sole, with protocols where they operate jointly.

The basic position remains that the Commissioner is responsible for the finances of the whole PCC Group and controls the assets, most of the liabilities and reserves. The PCC received all income and funding and made all payments for the PCC Group from the PCC Police Fund.

In turn, the Chief Constable continued to have the duty to fulfil prescribed functions under the PRSRA within the annual budget (set by the PCC in consultation with the Chief Constable) in line with the approved Corporate Governance Framework. This Framework sets out how the two “corporations sole” will discharge their respective responsibilities.

The Statement of Responsibilities details the responsibilities of the PCC/Chief and the Chief Finance Officer/S.151 Officer for the Accounts. This statement is signed and dated by Chief Finance Officer/S.151 Officer under a statement that the accounts give a true and fair view of the financial position of the PCC Group at the accounting date and its income and expenditure for the year ended 31 March.

The Movement in Reserves Statements shows the movement in the year on the different reserves held by the PCC Group. This statement is split into usable and unusable reserves; the usable reserves are those that can be used by the PCC to fund expenditure; and the unusable reserves are those reserves that are required to mitigate the effect of some transactions on council tax and those reserves that are created to mitigate unrealised gains and losses.

The Comprehensive Income and Expenditure Statements shows the accounting cost of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The PCC raises taxation in accordance with regulations which are different from the accounting cost. The taxation position is shown in the Movement in Reserves Statements (the movement on usable reserves).

The Balance Sheets which shows the value of the assets and liabilities recognised by the PCC Group and the PCC at the Balance Sheet date.

The Cash Flow Statement which shows the changes in cash and cash equivalents during the year. This statement shows how the PCC generates and uses its cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The Pension Fund Account which shows the movements relating to the police pension fund

The notes to the accounting records provide more detail about the accounting policies and individual transactions.

2024/25 Financial Year

The PCC approved an original budget in February 2024 of £245.334m which following a mid-year financial review was revised to £247.473m after consultation with Branch Commanders / Heads of Department in conjunction with the Force Finance Team. The budget was realigned in November to reflect these changes and monitoring against this revised budget was undertaken during the second half of the year.

Actual expenditure for the year was £247.957m, an overspend of £0.484m. This results from the investigation into Legacy Independent Funeral Directors, the largest in Humberside Police history. With no additional government funding allocated for this, the OPCC set up a specifically tailored victim support service.

Reserves at the start of 2024/25 totalled £25.693m. The total level of reserves at 31 March 2025 stands at £17.236m.

The original savings target within the Medium-Term Resource Strategy (MTRS) for 2024/25 was £1.500m, the Force managed to achieve savings of £1.588m. The main areas of savings were achieved through:

- Contract/ Non Pay Savings (£1.452m)
- Full year impact of 23/24 savings, partially offset by additional Corporate Comms resources (£0.067m)
- Robotic process automation (£0.054m)
- Disposal of Gordon Street (£0.015m)

A summary of capital performance compared to budget is shown in the table below:-

CAPITAL PROGRAMME	2024/25 BUDGET £m	2024/25 ACTUAL £m	VARIANCE £m
Estates Programme	4.894	3.725	1.169
ICT Programme	2.622	2.725	(0.103)
Vehicles & Equipment	2.985	2.787	0.197
Grand Total	10.500	9.237	1.263

The main area of expenditure during 2024/25 was the Estates Programme.

Financing of Capital Expenditure

The PCC has a rolling capital programme that is reviewed throughout the year. The programme is financed by external borrowing, capital receipts and revenue contributions.

Humberside PCC Reserves

Balances at 1 April 2024 stood at £25.693m. £7.973m was utilised during 2024/25. At the year end £0.484m was transferred from the Change Management reserve. The balances at 31 March 2025 now stand at £17.236m.

Future Spending Plans

The PCC has published a MTRS for 2025/26 to 2029/30 which sets out the overall shape of the PCCs budget. It establishes how available resources will best deliver the Police and Crime Plan and mitigate corporate risks identified. The current level of PWLB borrowing is £105.231m at 31 March 2025. The operational boundary is £150.000m and the authorised limit is £180.000m (these are part of the PCC's prudential indicators that have been previously agreed in the PCC's Treasury Management report; Published March 2024).

International Accounting Standard 19 (IAS 19)

IAS 19 requires employers to report the full cost of pension benefits as they are earned, regardless of whether they have been paid for. The total 2024/25 long term pension asset has been capped by way of an asset ceiling to £0m (2023/24 £0m on the Local Government Pension Scheme) The total long term pension liability is £1,569m (2023/24 was £1,738m) of which £1,569.5m relates to the Police Pension Scheme and £0.5m relates to the Local Government Pension Scheme (the 2023/24 pension liability included £1,737m relating to the Police Pension Scheme). It should be noted that IAS 19 does not impact upon the level of balances held by the PCC. (Under IAS 19 injury awards are now recognised in the PCC Group accounts).

Humberside Police Pension Fund Account

The Financial Statements include a separate section for the Humberside Police Pension Fund Account. Under the pension funding arrangements each PCC in England is required by legislation to operate a Pension Fund and the amounts that must be paid into and out of the fund are specified by regulation.

Change in Statutory Function

There have been no changes to the PCC's statutory functions during 2024/25.

Significant Changes in Accounting Policies

There have been no significant changes to the accounting policies used by the PCC.

Material Events after 31 March

There have been no material events after the 31 March balance sheet date.

Going Concern

The MTRS ensures a balanced budget over the medium term. The PCC for Humberside and Humberside Police will remain a Going Concern.

Further Information

You can also find more information about the finances of the PCC and the Force on the respective websites and www.humberside.police.uk

Acknowledgement

I would like to express my appreciation to colleagues within the Force Finance Team for their assistance in compiling the financial statements. I would also like to thank the Assistant Chief Officer (Resources), Chief Finance Officer and other operational managers within the Force for their support.

Martyn Ransom FCCA

Chief Finance Officer to the Police and Crime Commissioner for Humberside – May 2025

Independent auditor's report to the Police and Crime Commissioner for Humberside and Group

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of the Police and Crime Commissioner for Humberside and Group ('the PCC and Group') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement for the PPC Group, the Comprehensive Income and Expenditure Statement for the PCC, the Movement in Reserves Statement for the PCC Group, the Movement in Reserves Statement for the PCC, the Balance Sheets for the PCC Group and PCC, the Cash Flow Statements for the PCC and the PCC group, the Police Pensions Fund Account, the Net Assets Statement and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the PCC and the Group as at 31st March 2025 and of the PCC's and the Group's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the PCC and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the PPC's or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Chief Finance Officer for the financial statements

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Chief Finance Officer is also responsible for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis, on the assumption that the functions of the PCC and Group will continue in operational existence for the foreseeable future. The Chief Finance Officer is responsible for assessing each year whether or not it is appropriate for the PCC and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the PCC and Group, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, data protection, environmental protection, corruption and anti-bribery.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- gaining an understanding of the legal and regulatory framework applicable to the PCC and Group, the environment in which it operates, and the structure of the PCC and Group, and considering the risk of acts by the PCC and Group which were contrary to the applicable laws and regulations, including fraud;
- inquiring with management and the Police and Crime Commissioner, as to whether the PCC and Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;

- reviewing relevant meeting minutes in the year;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the PCC and Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015.

In addition, we evaluated the Chief Finance Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management, Internal Audit and the PCC on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud, rests with both management and the PCC. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are also required to conclude on whether the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, (Revised 2024) and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the PCC's arrangements for securing economy, efficiency and effectiveness in the use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the PCC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in this respect.

Responsibilities of the Office of the Police and Crime Commissioner for Humberside

The PCC is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the PCC's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the PCC has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the PCC's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the Police and Crime Commissioner, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have:

- received confirmation from the NAO that the group audit of the Whole of Government Account has been completed and that no further work is required to be completed by us



James Collins, Key Audit Partner
For and on behalf of Forvis Mazars LLP (Local Auditor)

The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

19 February 2026

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Police and Crime Commissioner's Responsibilities

The Police and Crime Commissioner is required:

- To make arrangements for the proper administration of financial affairs and to ensure that one of the officers (the Chief Finance Officer) has the responsibility for the administration of those affairs.
- To manage its affairs to ensure economic, efficient and effective use of resources and to safeguard its assets.
- To approve the Statement of Accounts.

I approve this Statement of Accounts.

Date 19 February 2026



**Jonathan Evison
Police and Crime Commissioner for
Humberside**

Chief Finance Officer's Responsibilities

The Chief Finance Officer of the PCC is responsible for the preparation of the PCC's statement of accounts which, in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* (the 'Code of Practice'), issued by the CIPFA is required to present fairly the financial position of the PCC and the PCC Group at the accounting date, and its income and expenditure for the year ended 31 March 2025.

In preparing this statement of accounts, the Chief Finance Officer has:

Selected suitable accounting policies and then applied them consistently;

- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice.

The Chief Finance Officer has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the attached Statement of Accounts present a true and fair view of the position of the PCC and the PCC Group as at 31 March 2025 and the income and expenditure for the year.



Date 19 February 2026

**Martyn Ransom
Chief Finance Officer**

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE PCC GROUP

This statement shows the accounting cost in the year for the PCC Group of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. PCCs raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis note and the Movement in Reserves Statement.

Year Ended 31 March 2024			Year Ended 31 March 2025				
£'000	£'000	£'000		£'000	£'000	£'000	
Expenditure	Income	Net		Note	Expenditure	Income	Net
47,132	(112)	47,020	Northbank Division		52,569	(170)	52,399
32,145	(613)	31,532	Southbank Division		36,959	(1,167)	35,792
19,224	(483)	18,741	Force Control Room		22,476	(227)	22,249
12,987	-	12,987	Protecting Vulnerable People (Transferred to Specialist Crime in 2024/25)		-	-	-
11,970	(2,894)	9,076	Regional Collaboration		12,327	(2,891)	9,436
14,425	(1,076)	13,349	Special Operations Unit		16,843	(1,375)	15,468
16,501	(2,120)	14,381	Specialist Crime		33,826	(2,476)	31,350
13,233	(46)	13,187	People Services		13,359	(58)	13,301
16,947	(4,761)	12,186	Estates Services		14,760	(4,727)	10,033
13,065	(872)	12,193	Information Services		15,171	(969)	14,202
7,290	(877)	6,413	Corporate Development		5,386	(818)	4,568
5,540	(93)	5,447	Criminal Justice		7,383	(136)	7,247
10,438	(7,274)	3,164	Centrally Managed Services		11,203	(10,135)	1,068
25,650	(7,707)	17,943	Other Services		28,354	(8,142)	20,212
9,484	(4,241)	5,243	Police & Crime Commissioner		10,468	(4,531)	5,937
256,031	(33,169)	222,862	Cost of Services - Continuing Operations		281,084	(37,822)	243,262
131	-	131	Other Operating Expenditure	8	462	(358)	104
79,444	(1,224)	78,220	Financing and Investment Income and Expenditure	9	80,918	(1,666)	79,252
-	(268,876)	(268,876)	Taxation and Non-Specific Grant Income	10	-	(285,632)	(285,632)
		32,337	(Surplus) or Deficit on Provision of Services				36,986
		(8,715)	(Surplus) or Deficit on Revaluation of Non Current Assets				3,810
		(40,677)	Remeasurements of the net defined benefit liability				(245,500)
		63,613	Effect of Asset Ceiling on Net Pension Asset				54,864
		14,221	Other Comprehensive Income and Expenditure (Surplus)/Deficit				(186,826)
		46,558	Total Comprehensive Income and Expenditure (Surplus)/Deficit				(149,840)

MOVEMENT IN RESERVES STATEMENT FOR THE PCC GROUP

This statement shows the movement in the year on the different reserves held by the PCC Group, analysed into 'usable reserves' (i.e. those that can currently be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. It shows how the movements in year of the PCC Group's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Increase / Decrease in Year line shows the statutory General Fund Balance movements in the year following those adjustments.

MOVEMENT IN RESERVES – PCC GROUP

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2024	25,693	-	25,693	(1,674,017)	(1,648,324)
Total Comprehensive Income & Expenditure	(36,986)	-	(36,986)	186,826	149,840
Adjustments between Accounting Basis & Funding Basis under Regulations	28,529	-	28,529	(28,529)	-
Increase / (Decrease) in Year	(8,457)	-	(8,457)	158,297	149,840
Balance at 31 March 2025	17,236	-	17,236	(1,515,720)	(1,498,484)

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2023	30,847	-	30,847	(1,632,613)	(1,601,766)
Total Comprehensive Income & Expenditure	(32,337)	-	(32,337)	(14,221)	(46,558)
Adjustments between Accounting Basis & Funding Basis under Regulations	27,183	-	27,183	(27,183)	-
Increase / (Decrease) in Year	(5,154)	-	(5,154)	(41,404)	(46,558)
Balance at 31 March 2024	25,693	-	25,693	(1,674,017)	(1,648,324)

A breakdown of the PCC Group Adjustments between Accounting and Funding Basis under Regulations can be found in Note 16 of the accounts.

MOVEMENT IN RESERVES STATEMENT FOR THE PCC

This statement shows the movement in the year on the different reserves held by the PCC, analysed into 'usable reserves' (i.e. those that can currently be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. It shows how the movements in year of the PCC's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Increase / Decrease in Year line shows the statutory General Fund Balance movements in the year following those adjustments.

MOVEMENT IN RESERVES – PCC

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2024	25,693	-	25,693	66,638	92,331
Total Comprehensive Income & Expenditure	(14,983)	-	(14,983)	(3,900)	(18,883)
Adjustments between Accounting Basis & Funding Basis under Regulations	6,526	-	6,526	(6,526)	-
Increase / (Decrease) in Year	(8,457)	-	(8,457)	(10,426)	(18,883)
Balance at 31 March 2025	17,236	-	17,236	56,212	73,448

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2023	30,847	-	30,847	57,242	88,089
Total Comprehensive Income & Expenditure	(3,502)	-	(3,502)	7,744	4,242
Adjustments between Accounting Basis & Funding Basis under Regulations	(1,652)	-	(1,652)	1,652	-
Increase / (Decrease) in Year	(5,154)	-	(5,154)	9,396	4,242
Balance at 31 March 2024	25,693	-	25,693	66,638	92,331

A breakdown of the PCC Adjustments between Accounting and Funding Basis under Regulations can be found in Note 17 of the accounts.

BALANCE SHEET FOR THE PCC GROUP AND PCC

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the PCC Group and the PCC. The net assets (assets less liabilities) are matched by the reserves held by the PCC Group and the PCC.

31 March 2024				31 March 2025	
PCC Group	PCC		Note	PCC Group	PCC
£'000	£'000			£'000	£'000
179,867	179,867	Property, Plant & Equipment	18	170,597	170,597
691	691	Assets under Construction	18	943	943
3,836	3,836	Intangible Assets	20	2,841	2,841
-	-	Right of Use Assets	22	1,589	1,589
39	39	Other Long Term Debtors		-	-
184,433	184,433	Long Term Assets		175,970	175,970
800	800	Assets Held for Sale	18	450	450
135	135	Inventories		134	134
4,000	4,000	Short Term Investments	25	2,000	2,000
32,301	32,136	Short Term Debtors	24	34,284	34,116
1,002	1,002	Cash and Cash Equivalents	37	4,038	4,038
38,238	38,073	Current Assets		40,906	40,738
-	-	Cash and Cash Equivalents (liability)	37	-	-
30,605	27,417	Short Term Creditors	24	37,006	34,357
98	98	Capital Grants Received in Advance		98	98
-	-	Short Term Lease Liabilities	22	418	418
1,149	1,149	Short Term Provisions	29	1,730	1,730
6,081	6,081	Short Term Borrowing	26	8,445	8,445
37,933	34,745	Current Liabilities		47,697	45,048
95,231	95,231	Long Term Borrowing	26	96,786	96,786
-	-	Long Term Lease Liabilities	22	1,224	1,224
183	183	Long Term Provisions	29	188	188
1,737,648	16	Net Pension Liability	31	1,569,465	14
1,833,062	95,430	Long Term Liabilities		1,667,663	98,212
(1,648,324)	92,331	Net Assets/ (Liabilities)		(1,498,484)	73,448
25,693	25,693	Usable Reserves	27	17,236	17,236
(1,674,017)	66,638	Unusable Reserves	28	(1,515,720)	56,212
(1,648,324)	92,331	Total Reserves		(1,498,484)	73,448

CASH FLOW STATEMENT FOR THE PCC AND THE PCC GROUP

The Cash Flow Statement shows the changes in cash and cash equivalents of the PCC Group and the PCC during the reporting period. As there is no distinction between the PCC Group and the PCC movements, there is no separate statement for the PCC. The statement shows how the PCC Group and the PCC generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the PCC Group and the PCC are funded by way of taxation and grant income or from the recipients of services provided by the PCC Group/PCC. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the PCC Group and the PCC's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the PCC Group/PCC.

31 March 2024	31 March 2024		31 March 2025	31 March 2025
PCC Group £'000	PCC £'000		PCC Group £'000	PCC £'000
32,337	3,502	Net (Surplus) or Deficit on the Provision of Services	36,986	14,983
(36,411)	(7,576)	Adjustments to Net Surplus or Deficit on the Provision of Services for Non Cash Movements	(43,621)	(21,618)
12	12	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	1,270	1,270
(4,062)	(4,062)	Net Cash Flows from Operating Activities	(5,365)	(5,365)
7,495	7,495	Investing Activities	5,924	5,924
685	685	Financing Activities	(3,595)	(3,595)
4,118	4,118	Net (Increase) or Decrease in Cash and Cash Equivalents	(3,036)	(3,036)
5,120	5,120	Cash and Cash Equivalents at the Beginning of the Reporting Period	1,002	1,002
1,002	1,002	Cash and Cash Equivalents at the End of the Reporting Period	4,038	4,038

Note 37 in the accounts provides further details of the figures in the above Cash Flow statement.

STATEMENT OF ACCOUNTING POLICIES FOR THE PCC AND THE PCC GROUP

Accounting Policies

The financial statements must meet and are prepared in accordance with the accounting requirements of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, supported by International Financial Reporting Standards (IFRS). Where the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the circumstances of the PCC Group/PCC for the purpose of presenting fairly the position of the PCC Group/PCC has been selected. The policies adopted are described below. They have been applied consistently in dealing with items considered material in relation to the financial statements.

Group accounts

The financial statements included here represent the accounts for the PCC and the PCC Group. The term "PCC Group" is used to indicate individual transactions and policies of the PCC and the Chief Constable. The identification of the PCC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of the PCC under the Police Reform and Social Responsibility Act 2011. The Chief Constable is a subsidiary organisation of the PCC. The transactions and balances of the PCC and the Chief Constable have been consolidated into the PCC Group financial statements using the line-by-line method.

Each reporting period the PCC Group will review its interests and influence on all types of entities including, but not limited to, other PCCs and similar statutory bodies, common good trust funds, charities, companies, joint committees and other joint arrangements. If appropriate, such other entities will be included in the group accounts prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting.

Accounting convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment. Where appropriate financial assets and liabilities have been impaired or discounted to bring them to current value.

Going Concern

After making enquires, the PCC has formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the PCC and PCC Group or its successors has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. The liabilities for pensions are unrealised liabilities at the balance sheet date and will fall due as employees retire over their working lives.

Critical Judgements in Applying Accounting Policies

In the application of the PCC Group's accounting policies, management is required to make judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the financial statements are in regard to the degree of uncertainty about future levels of central government funding and the impact of budget cuts to be achieved. However, the PCC Group has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the PCC Group might be impaired as a result of a need to close facilities or reduce levels of service provision.

Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The financial statements contain estimated figures that are based on assumptions made by the PCC Group about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. Because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the PCC and PCC Group's Balance Sheet as at 31 March for which there is significant risks of material adjustment in the forthcoming financial year are as follows:

- **Pensions Liability**

Estimation of the net liability to pay pensions is dependable on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are engaged to provide expert advice about the assumptions to be applied for both the Police and Local Government Pension Schemes.

The carrying amount of the PCC Group pension liability on 31 March 25 was £1,569m.

The effects on the net pension liability of changes in individual assumptions can be measured and a full sensitivity analysis around the effect on the net pension liability of changes in assumptions made can be found in Note 31 to these accounts.

However, the assumptions interact in complex ways. During the financial year, the force's actuaries advised that the net pensions liability had decreased by £0.933m as a result of estimates being corrected as a result of experience and decreased by £245.883m attributable to updating of the assumptions.

- **Property Valuation**

Valuation of assets and consideration of impairment depends on a number of complex judgements and a firm of Valuers is engaged to provide expert advice about the assumptions to be applied.

Many of the properties within the PCC Group balance sheet are valued as specialist properties, which are valued on a depreciated replacement cost (DRC) basis. After the valuation date rates of inflation have fluctuated and therefore the cost of replacing assets would be likely to change.

The valuation date of properties was 31 January 2025. A review was undertaken as at the 31 March 2025 which confirmed that the DRC valuations of the force buildings in the force 2024/25 valuation programme had approximately increased by £0.771m between the valuation date and the 31 March 2025. Therefore, the valuations for these properties have been amended to account for this increase in value in the time period.

The current value of properties held on balance sheet as at 31 March 2025 is £152.047m. It is estimated that if the value of land and buildings were to increase or decrease by 10% this would result in a change in valuations of £15.2m.

Additionally, properties are valued on a four-year rolling programme, with the top 20% of the highest valued properties being revalued every financial year. Based on the assets valued in the year, the average decrease in the value of property assets was 4.6%. If this percentage decrease was also applied to the assets that were not revalued in the year, this would decrease the Balance Sheet value by £0.789m. This is not considered material enough to warrant a full valuation of all properties.

- **Property, Plant and Equipment - Depreciation**

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If in the current economic climate the PCC Group was unable to sustain its current spending on repairs and maintenance, the useful lives assigned to assets would be brought into doubt.

If the useful life of assets is reduced depreciation increases and the carrying amount of assets falls. It is estimated that the annual depreciation charge for buildings would increase by £0.254m for every year that useful lives had to be reduced.

Revenue

Revenue in respect of services provided is recognised when performance occurs, and is measured at the fair value of the consideration receivable. A de-minimis threshold of £10,000 is in place for year-end accruals.

Employee Benefits

- **Short-term employee benefits**

Short-term employee benefits are those due to be settled within 12 months of the year-end, and include benefits such as wages, paid annual leave, paid sick pay and non-monetary benefits for current employees. These benefits are recognised as an expense in the year in which the employee renders service to the PCC Group. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs

- **Termination benefits**

Termination benefits are amounts payable as a result of a decision by the PCC Group to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These costs are charged on an accruals basis as an expense in the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement (CIES) when the PCC Group is demonstrably committed to the termination of the employment of an individual or group of employees or making an offer to encourage voluntary redundancy.

- **Post Employment Benefits**

The PCC Group participates in pension schemes for Police Officers and for Police staff. All of the schemes provide members with defined benefits related to pay and service.

- **Police Officers**

The 2015 Police Pension Scheme (previously 1987, 2006 and 2015) is a contributory occupational pension scheme. Officers pay contributions from their pensionable pay based on salary bandings. The contribution rates are set nationally by the Home Office. The PCC Group accounts for Police Pensions through the Police Pension Fund Accounts. The cost to the PCC Group is via an employers' contribution and a charge for Officers who retire on ill health. Any balance on the Pension Fund Accounts is received from or paid to Central Government.

Injury awards are not part of the Police Pension Fund and are paid out of the PCC Group's budget.

- **Police Staff**

The PCC is an admitted body to the East Riding Pension Fund, which is administered by East Riding of Yorkshire Council. Police staff are eligible to join the Local Government Pension Scheme which has varying contribution rates based on members' salaries. The PCC makes employers' contributions as required into the East Riding Pension Fund.

The East Riding Pension Fund Scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of East Riding of Yorkshire Council. Policy is determined in accordance with the Public Fund Regulations.

The PCC Group/PCC have fully adopted IAS 19 Employee Benefits. The financial statements reflect the commitment to make up any shortfall in attributable net assets in the Pension Fund. The overall pension liability is included in the Balance Sheet of the PCC Group and service costs are reflected in the CIES.

Expenses

Expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

Whilst all expenditure is paid for by the PCC, including the remuneration of police officers and staff, the actual recognition in the respective PCC and Chief Constable's financial statements is based on economic benefit.

Property, Plant and Equipment

- **Recognition**

Property, plant and equipment is capitalised on an accruals basis if:

- it is held for use in delivering services or for administration purposes;
- it is probable that service potential will be provided to the PCC Group;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £10,000

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets if they have a cost of over 25% of the whole asset, and they are depreciated over their own useful economic lives.

- **Valuation**

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at current value.

Land and buildings used by the PCC Group are stated in the Balance Sheet at their revalued amounts, being their current value at the date of valuation less any subsequent accumulated depreciation and impairment losses. The PCC Group undertakes a rolling programme of revaluations, with the top 20% of the highest valued properties being revalued every financial year. The remaining properties within the Force estate are revalued on a four-year rolling programme basis, based on the four local authority areas where the properties are located. The revalued assets in the 2024/25 accounts cover 89% of the total Gross Book Value of properties held on the Balance Sheet.

Current values are determined as follows:-

- Land and non-specialised buildings – the amount that would be paid for the asset in its existing use value (EUV)
- Specialised buildings with no market based evidence – the depreciated replacement cost as an estimate of current value (DRC)
- Vehicles, plant and equipment – historic cost less accumulated depreciation (as a proxy for current replacement cost)
- Surplus property – fair value, estimated at highest and best use from a market participant's perspective.

Properties in the course of construction are carried at cost, less any impairment loss. Cost includes professional fees and other costs directly attributable to the construction of qualifying assets.

Assets are revalued and depreciation commences when they are brought into use.

An increase arising on revaluation is taken to the Revaluation Reserve except when it reverses an impairment previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A decrease on revaluation is recognised as an impairment charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset, and, thereafter, to expenditure. Gains and losses recognised in the Revaluation Reserve are reported as other comprehensive income in the CIES.

- **Disposals**

Capital receipts over £10,000 from the sale of non-current assets are held in the Capital Receipts Unapplied account until such time as they are used to finance other capital expenditure or to repay debt. Individual receipts of less than £10,000 are shown as income within the CIES. Gains and losses on the disposal of non-current assets are recognised in the CIES.

Intangible Assets

- **Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the PCC Group's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits or service potential will be provided to the PCC Group; where the cost of the asset can be measured reliably, and where the cost is at least £10,000.

Intangible assets acquired separately are initially recognised at current value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

- **Measurement**

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible assets can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value by reference to an active market, or where no active market exists, at amortised replacement cost (modern equivalent assets basis). Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Depreciation, amortisation and impairments

Freehold land, properties under construction and vehicles in the process of preparation for operational use are not depreciated. Otherwise, depreciation and amortisation are charged to Cost of Services in the CIES to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, on a straight line basis. Depreciation and amortisation are not taken on additions to the capital base for the year. The estimated useful life of an asset is the period over which the PCC Group expects to obtain economic benefits or service potential from the asset. This is specific to the PCC Group and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

The approximate average useful lives (depreciation periods) are included below:

- | | |
|---------------|----------------|
| • Buildings | 25 to 65 years |
| • Vehicles | 1 to 11 years |
| • Boat | 10 years |
| • Equipment | 5 years |
| • Intangibles | 5 years |

At each reporting period end, the PCC Group checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the Revaluation Reserve.

The PCC Group is not required to raise Council Tax to cover depreciation, impairment or amortisation. However it is required to make an annual provision from its revenue budget to contribute towards the reduction in its overall borrowing requirement, the minimum revenue provision (MRP). The PCC Group has adopted, from 1 April 2019 the Asset Life Method to provide for MRP calculated by using the annuity method, for any capital expenditure funded from borrowing. MRP is not provided for assets in the course of construction.

Government Grants

All grants and contributions will only be credited to the CIES when all the grant conditions for the discharge of its specific use have been met. Grants where the conditions have not been satisfied are carried in the Balance Sheet as Grants Receipts in Advance. When the conditions have been satisfied, the grant or contribution will be credited to the CIES, either to cost of services or taxation and non-specific grant income.

Leases

The PCC Group classifies contracts as leases based on their substance. Contracts and parts of contracts are analysed to determine whether they convey the right to control the use of an individual asset, through rights both to obtain substantially all the economic benefits or service potential from the asset and to direct its use. This includes arrangements with nil consideration, peppercorn or nominal payments.

The PCC Group as lessee**Initial Measurement**

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date of 1 April 2024 if later). The leases are typically for fixed periods in excess of one year but may have extension or break clause options within them. The PCC Group uses the best available information at the time of preparing the accounts to determine if any of these options will be taken.

The PCC Group initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the PCC Groups incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments which depend on an index or rate and lease payments in an optional renewal period.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent Measurement

The right-of-use asset is subsequently measured using either the cost model or the fair value model. The PCC Group considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases;
- leases where rent reviews do not necessarily reflect market conditions;
- leases with terms of more than five years that do not have any provision for rent reviews;
- leases where rent reviews will be at periods of more than five years.

For leases which do not meet the requirements to measure using the cost model, the asset is carried at a revalued amount using the fair value model.

The right-of-use asset is depreciated straight-line over the shorter period of the remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the PCC Groups estimate of the amount expected to be payable under a residual value guarantee

- the PCC Group changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Low Value and Short Term Lease exemptions

As permitted by the CIPFA Code, the PCC Group excludes leases:

- for low value items that cost less than £10,000 when new, provided they are not highly dependant on or integrated with other items, and
- with a term shorter than 12 months

Lease rental payments for these exemptions are posted against the relevant command area within the surplus or deficit against service provision.

The PCC Group as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the to the lessee. All other leases are classified as operating leases.

Where the PCC Group grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to revenue in the CIES.

Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the PCC Group and the PCC's cash management.

Provisions

Provisions are recognised when the PCC Group has a present legal or constructive obligation as a result of a past event, it is probable that the PCC Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. In establishing a provision a charge is made as an expense to the CIES in the year that the PCC Group/PCC becomes aware of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. The provision stays on the Balance Sheet, and when payments are made, the charge is made against the provision. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PCC Group, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of payment is remote.

A contingent asset is a possible asset that arises from past events and existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PCC Group. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Reserves

The PCC Group and the PCC set aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the CIES in that year to score against the Surplus or Deficit on the account. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the PCC Group. Details of these reserves are provided in the relevant note to the financial statements.

Financial Instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'Financial Instrument' covers both Financial Assets and Financial Liabilities and includes both the most straightforward Financial Assets and Liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives. IFRS 9 Financial Instruments has been adopted however the impact is minimal.

- **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the PCC Group becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. They are initially measured at fair value and are carried at their amortised cost.

For the borrowings that the force holds, this means that the amount presented in the Balance Sheet is the outstanding principal repayable, and the interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired. The fair value of financial liabilities is disclosed in the notes to the financial statements.

- **Financial assets**

Financial assets measured at amortised cost are recognised on the Balance Sheet when the PCC Group becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value. They are subsequently measured at amortised cost. For the financial assets held by the PCC Group this means that the amount presented in the Balance Sheet is the outstanding principal receivable, and interest credited to the CIES is the amount receivable for the year in the loan agreement.

- **Loans and receivables held at amortised cost**

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at

amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, or failing that by reference to similar arm's length transactions between knowledgeable and willing parties.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the initial fair value of the financial asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset reduced directly.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised

- **Fair value measurement of non-financial assets**

The PCC Group measures its surplus assets at fair value at each reporting period. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset takes place either in the principal market for the asset, or in the absence of a principal market, in the most advantageous market for the asset.

The PCC Group measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

Jointly Controlled Operations

The PCC Group engages in jointly controlled operations by collaborative working with other parties to deliver a number of specific services on a regional basis.

The PCC Group accounts in its financial statements for the assets it controls, the liabilities it incurs, the expenses that it incurs and the income it earns in relation to these arrangements.

Accounting standards that have been issued but have not yet been adopted

The following standards and amendment to standards have been issued but not yet adopted:

- The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) (Amendments to IAS 21)
- Insurance Contracts (IFRS 17)
- Changes to the Measurement of Non-Investment Assets within the 2025/26 CIPFA Code (Adaptations and Interpretations of IAS 16). This is purely an amendment to the CIPFA Code and not a change in accounting standard.

The first two amendments are not expected to have any material impact on future financial statements of the PCC Group.

The changes to the 2025/26 CIPFA Code in relation to the measurement of non-investment assets includes setting out three revaluation processes for operational property, plant and equipment which

require indexation for tangible non-investment assets and a requirement to value intangible assets using a historical cost approach. These changes have the same effect as requiring a change in accounting policy due to an amendment to standards.

The PCC Group will review its current non-investment assets valuation policy for 2025/26 regarding these CIPFA Code changes.

Accounting standards issued that have been adopted early

There are no accounting standards issued that have been adopted early.

Exceptional items

Exceptional items shall be included in the costs of the service to which they relate and noted accordingly.

Prior period adjustments

Unless otherwise sanctioned by the CIPFA Code of Practice on Local Authority Accounting, material prior period adjustments shall result in restatement of prior year figures and disclosure of the effect.

Events after the Reporting Period

Material events after the balance sheet date, both favourable and unfavourable, that occur between the end of the reporting period and the date when Statement of Accounts is authorised for issue shall be disclosed as a note to the financial statements and the financial statements amended as required. Other events after the balance sheet date will be disclosed in a note with an estimate of the likely effect.

Two types of event can be identified as:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Value Added Tax (VAT)

Most of the activities of the PCC Group are outside the scope of VAT and, in general, output tax does not apply. Input tax on purchases is largely recoverable from His Majesty's Revenue and Customs. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of property, plant and equipment. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

NOTES TO THE CORE FINANCIAL STATEMENTS

Page

Notes to the Comprehensive Income and Expenditure Statement

Notes 1 – 4 - Expenditure and Funding Analysis and Supporting Notes	33
Note 5 – Intercompany Funding	38
Note 6 – Summary Spending Details	39
Note 7 – Pensions Income and Expenditure Account	40
Note 8 – Other Operating Income and Expenditure	41
Note 9 – Financing and Investment Income and Expenditure	42
Note 10 – Taxation and Non-Specific Grant Income	43
Note 11 – Precept and Council Tax Income	44
Note 12 – Grant Income	45
Note 13 – External Audit Fees	46
Note 14 – Officers’ Remuneration and Exit Packages	47
Note 15 – Regional Collaboration	50

Notes to the Movement in Reserves Statement

Note 16 & 17– Adjustments between Accounting and Funding Basis under Regulations	52
--	----

Notes to the Balance Sheet

Note 18 – Property, Plant and Equipment	54
Note 19 – Asset Numbers	55
Note 20 – Intangible Assets	56
Note 21 – Property Valuations	57
Note 22 – Leases	58
Note 23 – Capital Expenditure and Financing	61
Note 24 – Short Term Debtors & Creditors	62
Note 25 – Short Term Investments	63
Note 26 – Borrowing	64
Note 27 – Usable Reserves	65
Note 28 – Unusable Reserves	66
Note 29 – Provisions	69
Note 30 – Contingent Liabilities	70
Note 31 – Assets and Liabilities in Relation to Retirement Benefits	71
Note 32 – Reconciliation of Present Value of Scheme Assets and Liabilities	72
Note 33 – Basis for Estimating Assets and Liabilities	73
Note 34 – Assumed Mortality Rates	75
Note 35 – Remeasurement of the Net Defined Benefit Liability	76
Note 36 – Financial Instruments	77

Notes to the Cash Flow Statement

Note 37 – Note to the Cash Flow Statement	80
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Other Notes to the Accounts

Note 38 – Related Party Transactions	81
Note 39 – Events after the Balance Sheet Date	83

1. EXPENDITURE AND FUNDING ANALYSIS FOR THE PCC GROUP

The statements below show how annual expenditure is used and funded from resources (government grants and council tax) by the PCC Group in comparison with those resources consumed or earned by the PCC Group in accordance with generally accepted accounting practices. They also show how this expenditure is allocated for decision making purposes between the PCC Group's operating functions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

EXPENDITURE AND FUNDING ANALYSIS – PCC GROUP

Year Ended 31 March 2024				Year Ended 31 March 2025		
Net Expenditure Chargeable to the General Fund	Adjustments between Accounting and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between Accounting and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
52,814	(5,794)	47,020	Northbank Division	57,158	(4,759)	52,399
35,557	(4,025)	31,532	Southbank Division	39,210	(3,418)	35,792
18,365	376	18,741	Force Control Room	21,287	962	22,249
14,707	(1,720)	12,987	Protecting Vulnerable People (Transferred to Specialist Crime in 2024/25)	-	-	-
9,527	(451)	9,076	Regional Collaboration	9,792	(356)	9,436
14,929	(1,580)	13,349	Special Operations Unit	16,696	(1,228)	15,468
15,776	(1,395)	14,381	Specialist Crime	34,241	(2,891)	31,350
13,981	(794)	13,187	People Services	13,751	(450)	13,301
12,109	77	12,186	Estates Services	9,838	195	10,033
12,265	(72)	12,193	Information Services	14,264	(62)	14,202
6,571	(158)	6,413	Corporate Development	4,555	13	4,568
5,387	60	5,447	Criminal Justice	7,006	241	7,247
31,420	(28,256)	3,164	Centrally Managed Services	30,166	(29,098)	1,068
17,870	73	17,943	Other Services	20,007	205	20,212
5,191	52	5,243	Police & Crime Commissioner	5,826	111	5,937
266,469	(43,607)	222,862	Net Cost of Services	283,797	(40,535)	243,262
(261,315)	70,790	(190,525)	Other Income and Expenditure	(275,340)	69,064	(206,276)
5,154	27,183	32,337	(Surplus) or Deficit	8,457	28,529	36,986
30,847			Opening General Fund Balance	25,693		
(5,154)			Add: Surplus/(Deficit) on General Fund in year	(8,457)		
25,693			Closing General Fund Balance	17,236		

2. EXPENDITURE AND FUNDING ANALYSIS – ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS – PCC GROUP

Year Ended 31 March 2024				Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Year Ended 31 March 2025			
Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments		Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
1,336	(7,137)	7	(5,794)	Northbank Division	4,289	(8,806)	(242)	(4,759)
890	(4,907)	(8)	(4,025)	Southbank Division	2,909	(6,161)	(166)	(3,418)
515	(247)	108	376	Force Control Room	1,722	(685)	(75)	962
301	(2,045)	24	(1,720)	Protecting Vulnerable People (Transferred to Specialist Crime in 2024/	-	-	-	-
49	(462)	(38)	(451)	Regional Collaboration	161	(518)	1	(356)
391	(1,987)	16	(1,580)	Special Operations Unit	1,340	(2,518)	(50)	(1,228)
354	(1,781)	32	(1,395)	Specialist Crime	2,343	(5,151)	(83)	(2,891)
229	(971)	(52)	(794)	People Services	738	(1,152)	(36)	(450)
53	19	5	77	Estates Services	204	(18)	9	195
15	(100)	13	(72)	Information Services	61	(123)	-	(62)
180	(370)	32	(158)	Corporate Development	424	(339)	(72)	13
133	(87)	14	60	Criminal Justice	456	(203)	(12)	241
-	(28,244)	(12)	(28,256)	Centrally Managed Services	-	(29,118)	20	(29,098)
308	(247)	12	73	Other Services	899	(858)	164	205
34	18	-	52	Police & Crime Commissioner	116	(15)	10	111
4,788	(48,548)	153	(43,607)	Net Cost of Services	15,662	(55,665)	(532)	(40,535)
(6,569)	77,197	162	70,790	Other Income and Expenditure	(8,901)	78,119	(154)	69,064
(1,781)	28,649	315	27,183	(Surplus) or Deficit	6,761	22,454	(686)	28,529

3. EXPENDITURE AND FUNDING ANALYSIS FOR THE PCC

The statements below show how annual expenditure is used and funded from resources (government grants and council tax) by the PCC in comparison with those resources consumed or earned by the PCC in accordance with generally accepted accounting practices. They also show how this expenditure is allocated for decision making purposes between the PCC's operating functions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

EXPENDITURE AND FUNDING ANALYSIS – PCC

Year Ended 31 March 2024				Year Ended 31 March 2025		
Net Expenditure Chargeable to the General Fund	Adjustments between Accounting and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between Accounting and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
(1,448)	1,336	(112)	Northbank Division	(4,459)	4,289	(170)
(1,503)	890	(613)	Southbank Division	(4,076)	2,909	(1,167)
(998)	515	(483)	Force Control Room	(1,949)	1,722	(227)
(301)	301	-	Protecting Vulnerable People (Transferred to Specialist Crime in 2024/25)	-	-	-
(2,943)	49	(2,894)	Regional Collaboration	(3,052)	161	(2,891)
(1,467)	391	(1,076)	Special Operations Unit	(2,715)	1,340	(1,375)
(2,474)	354	(2,120)	Specialist Crime	(4,819)	2,343	(2,476)
(275)	229	(46)	People Services	(796)	738	(58)
(4,814)	53	(4,761)	Estates Services	(4,931)	204	(4,727)
(887)	15	(872)	Information Services	(1,030)	61	(969)
(1,057)	180	(877)	Corporate Development	(1,242)	424	(818)
(226)	133	(93)	Criminal Justice	(592)	456	(136)
(7,274)	-	(7,274)	Centrally Managed Services	(10,135)	-	(10,135)
(8,015)	308	(7,707)	Other Services	(9,041)	899	(8,142)
5,191	52	5,243	Police & Crime Commissioner	5,826	111	5,937
294,960	-	294,960	Intra-Group Funding	326,808	-	326,808
266,469	4,806	271,275	Net Cost of Services	283,797	15,657	299,454
(261,315)	(6,458)	(267,773)	Other Income and Expenditure	(275,340)	(9,131)	(284,471)
5,154	(1,652)	3,502	(Surplus) or Deficit	8,457	6,526	14,983
30,847			Opening General Fund Balance	25,693		
(5,154)			Add: Surplus/(Deficit) on General Fund in year	(8,457)		
25,693			Closing General Fund Balance	17,236		

4. EXPENDITURE AND FUNDING ANALYSIS – ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS – PCC

Year Ended 31 March 2024				Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Year Ended 31 March 2025			
Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments		Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
1,336	-	-	1,336	Northbank Division	4,289	-	-	4,289
890	-	-	890	Southbank Division	2,909	-	-	2,909
515	-	-	515	Force Control Room	1,722	-	-	1,722
301	-	-	301	Protecting Vulnerable People (Transferred to Specialist Crime in 2024/	-	-	-	-
49	-	-	49	Regional Collaboration	161	-	-	161
391	-	-	391	Special Operations Unit	1,340	-	-	1,340
354	-	-	354	Specialist Crime	2,343	-	-	2,343
229	-	-	229	People Services	738	-	-	738
53	-	-	53	Estates Services	204	-	-	204
15	-	-	15	Information Services	61	-	-	61
180	-	-	180	Corporate Development	424	-	-	424
133	-	-	133	Criminal Justice	456	-	-	456
-	-	-	-	Centrally Managed Services	-	-	-	-
308	-	-	308	Other Services	899	-	-	899
34	18	-	52	Police & Crime Commissioner	116	(15)	10	111
4,788	18	-	4,806	Net Cost of Services	15,662	(15)	10	15,657
(6,569)	(51)	162	(6,458)	Other Income and Expenditure	(8,901)	(76)	(154)	(9,131)
(1,781)	(33)	162	(1,652)	(Surplus) or Deficit	6,761	(91)	(144)	6,526

Note i – Adjustments for Capital Purposes

This adds in depreciation and impairments in the service line and for:

- Other Operating Expenditure – adjusts for losses on sale of assets.
- Financing and Investment Income and Expenditure - the statutory charges for capital financing (i.e. Minimum Revenue Provision and other revenue contributions) are deducted from income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and Non-Specific Grant Income – Capital grants are adjusted for income not chargeable under generally accepted accounting practices.

Note ii – Net change for the Pensions Adjustments

This is the net change for the removal of pension contributions and IAS19 Employee Benefits related expenditure and income:

- For service lines, this represents the removal of employer pension contributions as allowed by statute and the replacement with current service costs and past service costs.
- Financing and Investment Income and Expenditure – the net interest on the defined benefit liabilities is charged to the Comprehensive Income and Expenditure Statement.

Note iii – Other Differences

These represent other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For service lines, this represents the movement in the timing difference on employee benefits for accumulated absences.
- Taxation and Non-Specific Grant Income – adjustment is made for the movement in the timing difference on the Council Tax Collection Fund.

5. INTERCOMPANY FUNDING

As the Chief Constable has no resources with which to fulfil devolved responsibilities to provide a policing service, the expenditure is funded by the PCC.

These transactions are reflected in the intra-group accounts of both entities.

The tables below show the movement through the intra-group accounts within the respective Balance Sheets during 2024/25 and 2023/24 and show that there are no outstanding intra-group balances at the year end date, other than resulting from year end accounting adjustments in respect of payroll balances, as the PCC paid for all the financial resources consumed at the request of the Chief Constable and an intra-group adjustment was made to offset the Chief Constable's consumption of resources.

The funding covers the day to day expenses on an accruals basis as well as charges for operational assets consumed in the year. The funding does not cover IAS 19 pension charges and charges for compensated absences as these charges (in the Chief Constable's Comprehensive Income and Expenditure Statement) are reversed in the Chief Constable's Movement in Reserves Statement and charged to the Chief Constable's unusable Pensions Reserve and Accumulated Absences Adjustment Account.

The Comprehensive Income and Expenditure Statement (CIES) for the PCC and the PCC Group are at summary level. This is because the Net Cost of Policing sub-total within the PCC CIES includes not only the cost of administering the PCC itself, but also payment for PCC resources consumed at the request of the Chief Constable. The decision to account for this expenditure within the PCC Net Cost of Policing Services is in the same format that it is reported to management. In contrast, in the Chief Constable's CIES the Net Cost of Policing is nil, apart from the year end adjustments for pensions actuarial adjustments and accumulated absences, as the Resources consumed at the request of the Chief Constable are completely offset by the intra-group adjustment.

Intra-Group Movements 2024-2025:

	PCC £'000	Chief Constable £'000	PCC Group £'000
Opening Balance as at 1 April 2024	(5,949)	5,949	-
PCC resources consumed at the request of the Chief Constable	326,808	(326,808)	-
PCC intra-group adjustment (resource funding)	(326,808)	326,808	-
	(5,949)	5,949	-
Year end adjustments:			
Accumulated absences movement	542	(542)	-
Pensions actuarial adjustments	247,346	(247,346)	-
PCC intra-group adjustment	(247,888)	247,888	-
Payroll creditors and debtors movement	(315)	315	-
Closing Balance as at 31 March 2025	(6,264)	6,264	-

Intra-Group Movements 2023-2024:

Opening Balance as at 1 April 2023	(5,151)	5,151	-
PCC resources consumed at the request of the Chief Constable	294,960	(294,960)	-
PCC intra-group adjustment (resource funding)	(294,960)	294,960	-
	(5,151)	5,151	-
Year end adjustments:			
Accumulated absences movement	(153)	153	-
Pensions actuarial adjustments	4,635	(4,635)	-
PCC intra-group adjustment	(4,482)	4,482	-
Payroll creditors and debtors movement	(798)	798	-
Closing Balance as at 31 March 2024	(5,949)	5,949	-

6. SUMMARY SPENDING DETAILS

The statements below show the cost of providing services for the PCC Group for 2024/25 and 2023/24. The costs have been split between the Chief Constable and the PCC to separately identify the resources consumed at the request of the Chief Constable from those costs exclusively incurred by the PCC.

Year Ended 31 March 2024			Year Ended 31 March 2025		
PCC	Chief	PCC Group	PCC	Chief	PCC
£'000	£'000	£'000	£'000	£'000	£'000
Expenditure					
1,726	184,744	186,470	1,737	198,863	200,600
-	14,854	14,854	-	12,306	12,306
8	3,187	3,195	6	2,908	2,914
576	14,030	14,606	574	14,958	15,532
7,140	24,978	32,118	8,035	26,034	34,069
34	4,754	4,788	116	15,547	15,663
-	-	-	-	-	-
9,484	246,547	256,031	10,468	270,616	281,084
Income					
(14,961)	-	(14,961)	(17,356)	-	(17,356)
(625)	-	(625)	(1,614)	-	(1,614)
(4,040)	-	(4,040)	(4,955)	-	(4,955)
(13,212)	-	(13,212)	(13,534)	-	(13,534)
(331)	-	(331)	(362)	-	(362)
(33,169)	-	(33,169)	(37,822)	-	(37,822)
294,960	(294,960)	-	326,808	(326,808)	-
271,275	(48,413)	222,862	299,454	(56,192)	243,262
Net Cost of Policing Services					

OPCC OPERATIONAL INCOME AND EXPENDITURE

The operational expenditure of the Office of the Police and Crime Commissioner is shown below.

2023/24		2024/25
£'000		£'000
1,708	Staff	1,742
8	Transport	6
576	Supplies and Services	574
7,140	Third Party Payments	8,035
(27)	Fees & Charges and Other Income	(85)
(4,214)	Specific Grants	(4,446)
5,191		5,826

Third Party Payments comprise contributions made by the Commissioner in respect of community safety initiatives.

7. PENSIONS INCOME & EXPENDITURE ACCOUNT

The cost of retirement benefits is recognised in the CIES with the inclusion of the amount reflecting the net cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge that is required to be made against Council Tax is based on the cash payable in the year. The real cost of retirement benefits is deducted in the Statement of Movement in the General Fund Balance, and replaced with actual pensions paid/contributions.

The following transactions have been made in the CIES and Statements of Movement in the General Fund Balance during the year:

PCC Group	Local Government Pension Scheme		Police Pension Schemes	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	£'000	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement				
Net Cost of Service				
Current Service Cost (Gross)	8,532	8,531	12,920	12,600
Non Distributed Costs	343	11	-	(20)
Reversal of IAS19 Contributions	(9,128)	(7,872)	(68,332)	(61,798)
	(253)	670	(55,412)	(49,218)
Net Operating Expenditure				
Interest Cost	13,452	12,911	81,180	79,070
Interest Income	(16,514)	(14,785)	-	-
	(3,062)	(1,874)	81,180	79,070
Net Charge to the Comprehensive Income and Expenditure Statement	(3,315)	(1,204)	25,768	29,852
Statement of Movement in the General Fund Balance				
Reversal of Net Charges made for Retirement Benefits in Accordance with IAS19	3,315	1,204	(25,768)	(29,852)
Actual amount charged against the General Fund Balance for Pensions in the Year				
Employer's Contributions Payable to Scheme	8,864	7,917	28,233	24,178
Police Officer Injury and Ill Health Pension Costs	-	-	1,904	1,418
PCC				
Comprehensive Income and Expenditure Statement				
Net Cost of Service				
Current Service Cost (Gross)	215	236		
Non Distributed Costs	-	-		
Reversal of IAS19 Contributions	(230)	(218)		
	(15)	18		
Net Operating Expenditure				
Interest Cost	339	358		
Interest Income	(416)	(410)		
	(77)	(52)		
Net Charge to the Comprehensive Income and Expenditure Statement	(92)	(34)		
Statement of Movement in the General Fund Balance				
Reversal of Net Charges made for Retirement Benefits in Accordance with IAS19	92	34		
Actual amount charged against the General Fund Balance for Pensions in the Year				
Employer's Contributions Payable to Scheme	224	219		

8. OTHER OPERATING INCOME AND EXPENDITURE

Other Operating Income and Expenditure includes the gain or loss on the sale of non-current assets during the year as follows:

2023/24			2024/25		
Net Book Value £'000	Receipt £'000	Total £'000	Net Book Value £'000	Receipt £'000	Total £'000
-	-	-	350	(337)	13
-	-	-	350	(337)	13
131	-	131	112	(21)	91
-	-	-	-	-	-
131	-	131	112	(21)	91
131	-	131	462	(358)	104

9. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

Financing and Investment Income and Expenditure includes corporate items of income and expenditure which arise from the PCC Groups involvement in financial instruments and similar items.

In the case of the PCC Group this includes both interest payable and receivable during the year, along with the net pensions interest cost.

PCC Group	PCC		PCC Group	PCC
2023/24	2023/24		2024/25	2024/25
£'000	£'000		£'000	£'000
2,248	2,248	Interest payable and similar charges	2,724	2,724
-	-	Interest cost on lease liabilities	76	76
77,196	(52)	Pensions interest cost net of interest on pension assets	78,118	(77)
(1,224)	(1,224)	Interest receivable	(1,666)	(1,666)
78,220	972		79,252	1,057

10. TAXATION AND NON SPECIFIC GRANT INCOME

Taxation and Non-Specific Grant Income contains all un-ringfenced grants and contributions, including council tax income, receivable during the year which cannot be identified to a particular service line within cost of services.

All capital grants and contributions are included within this line, even if they are service specific.

2023/24		2024/25
£'000		£'000
77,194	Council Tax Income	82,283
156,317	General Government Grants	166,258
35,353	Police Pensions Top Up Grant receivable	36,179
12	Capital Grants	912
<u>268,876</u>		<u>285,632</u>

The Council Tax Income includes the actual income received in year (see Note 11) plus an adjustment for the difference between estimated and actual surplus/deficits on the collection fund.

A breakdown of general government grants are included in Note 12 along with a breakdown of service specific revenue grants included within the cost of services in the CIES.

11. PRECEPTS AND COUNCIL TAX INCOME

The precepts raised for the year are as follows;

2024/25

BAND	A	B	C	D	E	F	G	H
Rate £	187.45	218.70	249.94	281.18	343.66	406.15	468.63	562.36

2023/24

BAND	A	B	C	D	E	F	G	H
Rate £	178.79	208.59	238.39	268.19	327.79	387.39	446.98	536.38

The Council Tax precept income collected from each of the Local Authorities for the financial year is:

2023/24		2024/25
£000		£000
33,614	East Riding of Yorkshire Council	35,546
17,654	Kingston Upon Hull City Council	18,490
12,336	North East Lincolnshire Council	13,772
13,752	North Lincolnshire Council	14,321
77,356		82,129

12. GRANT INCOME

The PCC Group receive a number of non-ringfenced general grants from central government. These grants are included within Taxation and Non-Specific Grant Income and are as follows;

2023/24		2024/25
£000		£000
139,053	Police Revenue Grant	147,340
8,341	Council Tax Support Grants	8,341
1,904	Police Pension Grant	6,238
1,700	Council Tax Freeze Grants	1,700
5,319	Police Pay Award Grant	2,639
156,317	Total General Government Grants	166,258

Additional service specific grants were received from numerous bodies, and are included as part of total income in cost of services. Details of those grants that are £0.500m and above are shown below:

2023/24		2024/25
£000		£000
6,508	Recruitment Uplift Programme Grant (Home Office Grant)	9,155
2,020	Victims Support Grant (Ministry of Justice Grant)	1,988
561	Serious Violence GRIP Funding (Home Office Grant)	1,914
1,137	DSP Port Security Armed Response (Home Office Grant)	1,288
670	Violence Prevention Partnership Grant (Home Office Grant)	1,176
1,218	DSP Port Security (Home Office Grant)	1,062
771	IT Grant Funding (Home Office Grant)	360
778	Safer Streets Funding (Home Office Grant)	17
13,663		16,960

13. EXTERNAL AUDIT FEES

2023/24				2024/25		
PCC GROUP	PCC	CC		PCC GROUP	PCC	CC
£'000	£'000	£'000		£'000	£'000	£'000
145	98	47	Base Audit Fees	159	106	53
21	13	8	Fees due relating to prior years	20	13	7
(20)	(14)	(6)	Redmond Review Audit Fees Grant	(20)	(13)	(7)
146	97	49		159	106	53

The table above presents the external audit fees payable to Forvis Mazars LLP for 2024/25.

As part of the auditor fee variation process ran by the PSAA, additional fees can be submitted by Forvis Mazars relating to additional work required. Any fee variations requested are included as 'Fees due relating to prior years' in the year of payment.

As part of the Redmond Review into Local Government audit arrangements grant of £0.020m has been received for 2024/25 (0.020m 2023/24) to aid in funding additional audit fees incurred.

14. OFFICERS’ REMUNERATION AND EXIT PACKAGES**OFFICERS’ REMUNERATION - BANDINGS**

The number of employees whose remuneration, excluding employer’s pension contributions, was £50,000 or more in bands of £5,000 was:

2023/24				Remuneration Band £	2024/25			
Police Officers No.s	Police Staff - PCC No.s	Police Staff - CC No.s	Total No.s		Police Officers No.s	Police Staff - PCC No.s	Police Staff - CC No.s	Total No.s
276	1	32	309	50,000 - 54,999	362	4	34	400
128	-	7	135	55,000 - 59,999	207	-	21	228
111	-	5	116	60,000 - 64,999	117	-	4	121
24	1	2	27	65,000 - 69,999	91	-	5	96
8	1	1	10	70,000 - 74,999	6	1	2	9
6	1	1	8	75,000 - 79,999	4	2	1	7
3	-	3	6	80,000 - 84,999	5	-	-	5
4	-	-	4	85,000 - 89,999	7	-	1	8
4	-	-	4	90,000 - 94,999	1	-	2	3
2	-	-	2	95,000 - 99,999	6	-	1	7
2	-	-	2	100,000 - 104,999	2	-	-	2
1	-	1	2	105,000 - 109,999	3	-	-	3
-	1	-	1	110,000 - 114,999	1	-	1	2
-	-	-	-	115,000 - 119,999	1	1	-	2
1	-	-	1	120,000 - 124,999	-	-	-	-
-	-	-	-	125,000 - 129,999	-	-	-	-
-	-	1	1	130,000 - 134,999	1	-	-	1
1	-	-	1	135,000 - 139,999	-	-	-	-
-	-	-	-	140,000 - 144,999	1	-	1	2
-	-	-	-	145,000 - 149,999	1	-	-	1
-	-	-	-	150,000 - 154,999	-	-	-	-
-	-	-	-	155,000 - 159,999	-	-	-	-
-	-	-	-	160,000 - 164,999	-	-	-	-
-	-	-	-	165,000 - 169,999	-	-	-	-
-	-	-	-	170,000 - 174,999	-	-	-	-
1	-	-	1	175,000 - 179,999	-	-	-	-
572	5	53	630		816	8	73	897

The Officers disclosed separately in senior officers’ remuneration table below are included in the bands above.

A number of employees work in shared services with other regional forces. Disclosure of such employees is made in the accounts of the force that holds the employment contract of those individuals.

OFFICERS’ REMUNERATION – SENIOR OFFICERS

The remuneration paid to senior employees and senior police officers is as follows:

Post Holder 2024/25	Salary (Including Fees & Allowances) £000	Other Emoluments £000	Total Remuneration excluding Pension Contributions £000	Pension Contributions £000	Total Remuneration including Pension Contributions £000
Chief Constable					
Chief Constable (from 1st July 2024) - Judith Heaton	144	-	144	-	144
Chief Constable (until 30th June 2024) - Paul Anderson	104	-	104	-	104
Deputy Chief Constable - David Marshall	146	-	146	51	197
Assistant Chief Constable - Corporate Services & Operations (until 4th November 2024)	78	5	83	24	107
Assistant Chief Constable - Local Policing & Community Safety (until 12th February 2025)	117	-	117	41	158
Assistant Chief Constable - Specialist Crime & Criminal Justice (until 31st December 2024) - Local Policing & Community Safety (from 1st January 2025)	125	-	125	39	164
Assistant Chief Constable - Corporate Services & Operations (from 30th December 2024)	33	-	33	12	45
Assistant Chief Constable - Specialist Crime & Criminal Justice (from 13th January 2025)	25	-	25	9	34
Assistant Chief Officer Resources	144	-	144	24	168
	916	5	921	200	1,121
PCC					
Police and Crime Commissioner	78	-	78	14	92
Chief Executive	116	-	116	21	137
	194	-	194	35	229
PCC Group Total	1,110	5	1,115	235	1,350

Post Holder 2023/24	Salary (Including Fees & Allowances) £000	Other Emoluments £000	Total Remuneration excluding Pension Contributions £000	Pension Contributions £000	Total Remuneration including Pension Contributions £000
Chief Constable					
Chief Constable (from 1st August 2023) - Paul Anderson	125	2	127	-	127
Deputy Chief Constable (from 8th August 2023)	93	6	99	29	128
Deputy Chief Constable (until 31st July 2023) - Paul Anderson	45	1	46	-	46
Assistant Chief Constable - Communities (from 9th October 2023)	66	3	69	17	86
Assistant Chief Constable - Communities (until 7th August 2023)	39	3	42	12	54
Assistant Chief Constable - Operations (from 6th March 2023)	121	8	129	37	166
Assistant Chief Constable - Corporate Services (from 1st January 2024)	29	-	29	9	38
Assistant Chief Officer Resources	130	2	132	23	155
	717	27	744	148	892
PCC					
Police and Crime Commissioner	79	-	79	14	93
Chief Executive	108	2	110	20	130
	187	2	189	34	223
PCC Group Total	904	29	933	182	1,115

In addition to the above the PCC Chief Finance Officer (Section 151) is seconded from Humberside Fire. Humberside Police and Crime Commissioner contribute towards 40% of their salary, NI and pension costs. In 2024/25 the force paid £51k for salary costs (2023/24 £24k) and £9k for pension costs (2023/24 £4k). The costs have increased in 2024/25 due to the 2023/24 only accounting for costs from their recruitment in October 2023.

OFFICERS’ REMUNERATION – EXIT PACKAGES

The numbers of employee compulsory and voluntary exit packages agreed with total cost per band and total cost of the redundancies are set out below:

2024/25				
Exit Package Cost Band £	No. of compulsory redundancies	No. of other agreed departures	Total No. of exit packages by cost band	Total cost of exit packages in each band £000
0 - 20,000	-	6	6	41
20,001 - 40,000	1	2	3	96
40,001 - 60,000	-	-	-	-
60,001 - 80,000	-	1	1	78
120,001 - 140,000	1	-	1	135
	2	9	11	350

2023/24				
Exit Package Cost Band £	No. of compulsory redundancies	No. of other agreed departures	Total No. of exit packages by cost band	Total cost of exit packages in each band £000
0 - 20,000	-	3	3	39
20,001 - 40,000	-	2	2	65
40,001 - 60,000	-	-	-	-
240,000 - 260,000	-	1	1	260
	-	6	6	364

15. REGIONAL COLLABORATION

REGIONAL COLLABORATION BOARD (RCB)

The Regional Collaboration Programme was developed to bring opportunities to participating Forces across many policing activities whilst retaining local Police Forces, local identity and local accountability.

A Regional Collaboration Board has governance of the arrangements. This Board comprises the four PCCs within the Yorkshire and Humberside Region together with their respective Chief Constables and Chief Executives. The arrangements are subject to agreement under Section 22A of the Police Act 1996 (as amended).

Regional Collaboration is funded from contributions made by the four participating PCCs and the level of contribution from each PCC is dependent upon an assessment of the benefit to be derived from each specific project or initiative.

The North East Collaboration Board has been established between Humberside, the three Yorkshire forces and Cleveland, Durham and Northumbria.

LEAD FORCE COLLABORATION ARRANGEMENTS

A Lead Force model has been adopted for each functional area of regional collaboration, with the Regional Collaboration Board having governance over all the arrangements.

The PCC for Humberside has Lead Force responsibility within the regional programme for Underwater Search services.

The Underwater Search Unit made a surplus of £0.7k in the financial year 2024/25 (Deficit £2.7k in 2023/24) with the PCC for Humberside contributing £496k (£469k in 2023/24).

The PCC for Humberside has made contributions during the year ended 31 March 2025 to other Lead Forces as follows:

Lead Force	Functional Area	Contributions Made	
		2024/25 £'000	2023/24 £'000
South Yorkshire Mayoral Combined Authority	Stores	162	529
West Yorkshire Mayoral Combined Authority	Serious and Organised Crime	3,088	2,573
	Scientific Support	5,226	5,090
	Collision Investigation	688	621
	Prison Intelligence Unit	12	10
	Casualty Bureau	10	5

OTHER REGIONAL COLLABORATION ARRANGEMENTS

The PCC for Humberside collaborates in a two force partnership with the South Yorkshire Mayoral Combined Authority on the provision of Information Services. The cost of the collaboration is shared based on the total size of the respective force budgets assessed using a measure of net revenue expenditure. The summary position for the joint operations is outlined below:

	Information Services	
	2024/25	2023/24
	£'000	£'000
<u>Expenditure</u>		
Staff Costs	6,741	6,384
Property related expenses	-	-
Supplies and services	7,078	7,280
Transport related expenses	82	86
Third party costs	-	-
	13,901	13,750
<u>Income</u>		
Contributions (see below)	13,901	13,750
Other income	-	-
	13,901	13,750
Deficit/(Surplus) in year	-	-
<u>Contributions:</u>		
Humberside Police	5,819	5,941
South Yorkshire Police	8,082	7,809
	13,901	13,750

In addition to the Information Services arrangement, the PCC has a collaboration agreement in place with South Yorkshire for the use of a number of Legal Service staff. Income received by the PCC for this arrangement in 2024/25 was £0.344m (2023/24 £0.226m)

LOCAL COLLABORATION ARRANGEMENTS

Humberside Police and Humberside Fire Authority collaborate on a joint operation in respect of their emergency vehicle maintenance requirements, which are delivered by Emergency Services Fleet Management (Humberside) Ltd (ESFM), a company limited by guarantee which was established for that purpose. Humberside Police retain joint control of this company with Humberside Fire Authority.

The Net Cost of ESFM Ltd in relation to the Humberside Police in 2024/25 was £1.993m (2023/24 £2.054m), with a closing Net Assets figure of £0.317m (2023/24 £0.280m).

Humberside Police provide Estates Management Services to Humberside Fire Authority on a lead Authority basis. The Joint Estates Service (JES) provides premises repairs, regular maintenance, utility management and support for capital projects. Governance for the JES is provided by the JES board chaired by the Assistant Chief Officer (Resources). The Area Manager of Prevention, Protection, Fleet and Estates from Humberside Fire and Rescue Service also sits on the board. The overall operational cost of the JES is £14.566m (2023/24 £16.870m) with income of £3.598m received from Humberside Fire and Rescue Service (2023/24 £3.771m) and other income of £1.129m received from other organisations (2023/24 £1.189m).

In addition to the above, Humberside Fire Authority also provide the PCC with a Health and Safety service. In 2024/25 the PCC paid £0.158m for this service (2023/24 £0.154m).

16. ANALYSIS OF ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING BASIS – PCC GROUP

The table below provides a breakdown of the figure included in the Movement in Reserves Statement which adjusts the total Comprehensive Income and Expenditure recognised within the year to the resources available to the Group as specified by statutory provision.

Year Ended 31 March 2024					Year Ended 31 March 2025			
General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves		General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
10,300	10,300	(10,300)	-	Reversal of items debited or credited to the CIES:				
(5,649)	(5,649)	5,649	-	Depreciation of non-current assets	10,878	10,878	(10,878)	-
(12)	(12)	12	-	Revaluation Losses charged on Property, Plant and Equipment	4,671	4,671	(4,671)	-
131	131	(131)	-	Capital Grants applied	(912)	(912)	912	-
136	136	(136)	-	Non-current assets value written off on disposal	462	462	(462)	-
				Impairment	112	112	(112)	-
				Inclusion of items not debited or credited to the CIES:				
(6,562)	(6,562)	6,562	-	Statutory provision for the financing of capital investment	(7,757)	(7,757)	7,757	-
(125)	(125)	125	-	Capital Expenditure funded from Revenue	(336)	(336)	336	-
				Adjustments involving the Capital Unapplied Reserve:				
-	-	-	-	Reversal of cash sale proceeds credited to gain/loss on disposal in CIES	(358)	(358)	358	-
				Adjustments involving the Pension Reserve:				
(69,670)	(69,670)	69,670	-	Reversal of items relating to retirement benefits debited or credited to CIES	(77,460)	(77,460)	77,460	-
98,318	98,318	(98,318)	-	Employer's pension contributions and direct payments to pensioners payable in the year	99,913	99,913	(99,913)	-
				Adjustments involving the Accumulated Absences Reserve:				
153	153	(153)	-	Holiday pay accrual charged to the CIES	(532)	(532)	532	-
				Adjustments Relating to the Collection Fund:				
163	163	(163)	-	Collection Fund adjustment charged to the CIES	(152)	(152)	152	-
27,183	27,183	(27,183)	-	Total Adjustments	28,529	28,529	(28,529)	-

17. ANALYSIS OF ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING BASIS – PCC

Year Ended 31 March 2024					Year Ended 31 March 2025			
General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves		General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
10,300	10,300	(10,300)	-	Reversal of items debited or credited to the CIES:	10,878	10,878	(10,878)	-
(5,649)	(5,649)	5,649	-	Depreciation of non-current assets	4,671	4,671	(4,671)	-
(12)	(12)	12	-	Revaluation Losses charged on Property, Plant and Equipment	(912)	(912)	912	-
131	131	(131)	-	Capital Grants applied	462	462	(462)	-
136	136	(136)	-	Non-current assets value written off on disposal	112	112	(112)	-
				Impairment				
				Inclusion of items not debited or credited to the CIES:				
(6,562)	(6,562)	6,562	-	Statutory provision for the financing of capital investment	(7,757)	(7,757)	7,757	-
(125)	(125)	125	-	Capital Expenditure funded from Revenue	(336)	(336)	336	-
				Adjustments involving the Capital Unapplied Reserve:				
-	-	-	-	Reversal of cash sale proceeds credited to gain/loss on disposal in CIES	(358)	(358)	358	-
				Adjustments involving the Pension Reserve:				
(218)	(218)	218	-	Reversal of items relating to retirement benefits debited or credited to CIES	(230)	(230)	230	-
184	184	(184)	-	Employer's pension contributions and direct payments to pensioners payable in the year	138	138	(138)	-
				Adjustments involving the Accumulated Absences Reserve:				
-	-	-	-	Holiday pay accrual charged to the CIES	10	10	(10)	-
				Adjustments Relating to the Collection Fund:				
163	163	(163)	-	Collection Fund adjustment charged to the CIES	(152)	(152)	152	-
(1,652)	(1,652)	1,652	-	Total Adjustments	6,526	6,526	(6,526)	-

18. PROPERTY, PLANT & EQUIPMENT

The property, plant and equipment held on the PCC Group balance sheet can be split into a number of different asset categories as follows;

	Land & Buildings	Vehicles, Plant & Equipment	Assets Under Construction	Assets Held for Sale	Surplus Assets	TOTAL
	£000	£000	£000	£000	£000	£000
Gross Book Value						
As at 1st April 2024	163,831	32,389	691	800	150	197,861
Additions & Enhancements	3,255	5,267	559	-	-	9,081
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(5,557)	-	-	-	-	(5,557)
Disposals	-	(3,480)	-	(350)	-	(3,830)
Transfers	(1,426)	307	(307)	-	1,426	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(7,500)	-	-	-	-	(7,500)
As at 31st March 2025	152,603	34,483	943	450	1,576	190,055
Depreciation						
As at 1st April 2024	378	16,125	-	-	-	16,503
In Year	4,744	4,637	-	-	10	9,391
On Assets Revalued	(4,566)	-	-	-	(10)	(4,576)
On Assets Sold	-	(3,365)	-	-	-	(3,365)
On Transfers	-	-	-	-	-	-
Impairment losses recognised in the surplus/deficit on the Provision of Services	-	112	-	-	-	112
As at 31st March 2025	556	17,509	-	-	-	18,065
Net Book Value						
As at 31st March 2025	152,047	16,974	943	450	1,576	171,990
As at 31st March 2024	163,453	16,264	691	800	150	181,358

	Land & Buildings	Vehicles, Plant & Equipment	Assets Under Construction	Assets Held for Sale	Surplus Assets	TOTAL
	£000	£000	£000	£000	£000	£000
Gross Book Value						
As at 1st April 2023	152,692	31,544	366	310	770	185,682
Additions & Enhancements	829	4,027	665	-	-	5,521
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	4,038	-	-	140	773	4,951
Disposals	-	(3,371)	-	-	-	(3,371)
Transfers	1,838	189	(340)	350	(2,188)	(151)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	4,434	-	-	-	795	5,229
As at 31st March 2024	163,831	32,389	691	800	150	197,861
Depreciation						
As at 1st April 2023	-	14,731	-	-	-	14,731
In Year	4,547	4,576	-	-	15	9,138
On Assets Revalued	(4,169)	-	-	-	(15)	(4,184)
On Assets Sold	-	(3,226)	-	-	-	(3,226)
On Transfers	-	(92)	-	-	-	(92)
Impairment losses recognised in the surplus/deficit on the Provision of Services	-	136	-	-	-	136
As at 31st March 2024	378	16,125	-	-	-	16,503
Net Book Value						
As at 31st March 2024	163,453	16,264	691	800	150	181,358
As at 31st March 2023	152,692	16,813	366	310	770	170,951

19. ASSET NUMBERS

31 March 2024		31 March 2025
17	Local Police Team Buildings	17
12	Police Stations	11
4	Other Buildings	3
4	Headquarters and Offices	4
4	Vulnerable Victims Units	4
1	Training Centre	1
1	Custody Suite	1
1	Surplus Assets	3
2	Assets Held for Sale	1
1	Assets Under Construction - Property	2
9	Assets Under Construction - Vehicles	11
1	Assets Under Construction - Intangibles	2
603	Vehicles	616

Details on the valuations of property held by the PCC Group can be found in Note 21 in the accounts.

20. INTANGIBLE ASSETS

	2024/25		2023/24
	£000		£000
Gross Book Value		Gross Book Value	
As at 1st April 2024	6,966	As at 1st April 2023	6,650
Additions & Enhancements	115	Additions & Enhancements	611
Reversal of Previous Costs	-	Reversal of Previous Costs	(66)
Category Transfer from PPE	-	Category Transfer from PPE	151
Disposals	(680)	Disposals	(380)
As at 31st March 2025	<u>6,401</u>	As at 31st March 2024	<u>6,966</u>
Amortisation		Amortisation	
As at 1st April 2024	3,130	As at 1st April 2023	2,257
In Year	1,110	In Year	1,202
On Reversals	-	On Reversals	(40)
On Transfers	-	On Transfers	91
On Disposals	(680)	On Disposals	(380)
As at 31st March 2025	<u>3,560</u>	As at 31st March 2024	<u>3,130</u>
Net Book Value		Net Book Value	
As at 31st March 2025	<u>2,841</u>	As at 31st March 2024	<u>3,836</u>
As at 31st March 2024	<u>3,836</u>	As at 31st March 2023	<u>4,393</u>

The Intangible Assets all relate to computer software which has been capitalised.

21. PROPERTY VALUATIONS

	Land and Buildings £000	Assets Held for Sale £000	Surplus Assets £000
Valued at current value as at:			
31 March 2023	6,549	-	-
31 March 2024	10,986	450	-
31 March 2025	135,068	-	1,576
Total Gross Book Value	152,603	450	1,576

The PCC property portfolio is valued on an annual basis by an external valuer with an effective date of 31 January 2025. An impairment review is undertaken at the year end to ensure the value of property has not materially increased or decreased. Between 31 January 2025 and 31 March 2025 it was estimated that the value of DRC valuations within the 2024/25 rolling programme had increased by £0.771m. Therefore, the valuations for these properties have been amended to account for this increase in value.

In 2024/25 the PCC carried out a rolling programme of valuations. This includes the highest valued 20% of assets on an annual basis, and the remaining property estate split by local authority area valued over a four year period.

22. LEASES

Leases – Transition to IFRS 16 as at 1 April 2024

In 2024/25 the Force has introduced 'IFRS 16 Leases' as required by the Code of Practice for Local Authority Accounting in the United Kingdom.

The main impact of the new lease standard requirements is that for lease arrangements previously accounted for as operating leases, a right-of-use asset and a corresponding lease liability are to be brought into the force balance sheet as at 1 April 2024.

Leases for items of low value, as defined by the force's accounting policies and leases that expire on or before 31 March 25 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively as required by the Code, with the cumulative effect recognised as at 1 April 24. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 has always applied but recognised in 2024/25 and not by adjusting prior year figures.

Some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 24, discounted by the forces incremental borrowing rate at that date,
- the weighted average of the incremental borrowing rates used to discount liabilities was 5.04%,
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 24 - any initial direct costs have been excluded.
- all leases were assessed as the whether they were onerous at 31 March 24, so right-of-use assets have not been subject to an impairment review.

The Code states that an authority shall not reassess whether a contract is, or contains, a lease at the date of initial application of 1 April 2024. Except in relation to leases for nil consideration. The force has therefore as part of its transitional arrangements applied this practical expedient to all of its contracts, with IFRS 16 only being applied to contracts that were previously identified as leases under 'IAS 17 Leases' and 'IFRC 4 Determining Whether an Arrangement Contains a Lease'. The force shall apply IFRS 16 to any new or amended contracts on or after 1st April 2024.

All of the above has resulted in the following additions to the balance sheet as at 1st April 2024:

- £1.569m Property, Plant and Equipment - land and buildings (Right-of-use assets)
- £1.299m Non Current Creditors (Lease Liability)
- £0.270m Current Creditors (Lease Liability)

The newly recognised lease liabilities of £1.569m compare with the operating lease commitments of £1.820m at 31 March 24 accounted for under the old lease standard arrangements. When these are discounted to their present value of £1.618m (using the incremental borrowing rate at 1 April 24), there is a difference of £0.049m from the newly recognised lease liabilities. This is explained by the fact that the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 25.

Authority as Lessee – 2024/25

The force lease contracts comprise of leases of operational land and buildings used as part of the overall force estate strategy. During 2024/25 the force had 13 individual contracts in place for leases which have been deemed to come under IFRS16 and are therefore included within the force balance sheet.

Right of Use Assets:

The table below shows the change in value of right-of-use assets held under leases by the force in 2024/25.

	Total
	£000
Balance at 1 April 2024	1,569
Additions	397
Revaluations	-
Depreciation	(377)
Disposals	-
Balance at 31 March 2025	1,589

Lease Liabilities:

The table below shows the movement in both long and short term liabilities linked with leases held by the force.

	Short Term	Long Term
	Lease Liabilities	Lease Liabilities
	£000	£000
Balance at 1 April 2024	270	1,299
Additions	48	221
Remeasurements	7	122
Disposals	-	-
Repayment of Principal	(325)	-
Transfer from Long to Short Term Liability	418	(418)
Balance at 31 March 2025	418	1,224

Transactions under Leases

The force incurred the following expenses and cash flows in relation to leases.

	2024/25
	£000
Comprehensive Income and Expenditure Statement	
Interest expense on lease liabilities	76
Expense relating to short-term leases	48
Expense relating to exempt leases of low-value items	81
Cash Flow Statement	
Total cash outflow for leases	560

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments)

	31st March	31st March
	2025	2024
	£000	£000
Less than one year	483	387
One to five years	1,150	1,549
More than five years	186	268
Total Undiscounted Liabilities	<u>1,819</u>	<u>2,204</u>

23. SUMMARY OF CAPITAL EXPENDITURE AND SOURCES OF FINANCE

The note below shows the movement in the Capital Financing Requirement due to capital expenditure for 2024/25, and the source of finance used.

The Capital Financing Requirement is an indicator that authorities have to include within the suite of Prudential Indicators relating to capital finance in Local Authorities.

It is a measure of the PCC Group's underlying need to borrow for capital purpose. The PCC Group has decided to part fund capital by using prudential borrowing, this is reflected in the Capital Financing Requirement balance at the end of the financial year.

2023/24 £000		2024/25 £000
121,148	Opening Capital Financing Requirement	120,571
	<u>Capital Investment</u>	
5,511	Property, Plant and Equipment	9,073
-	Right of Use Assets	1,966
611	Intangible Assets	115
	<u>Sources of Finance</u>	
(125)	Revenue funding of Capital	(336)
(6,562)	Minimum Revenue Provision	(7,757)
(12)	Capital Grant	(912)
-	Capital Receipts	(358)
120,571	Closing Capital Financing Requirement	122,362
	<u>Explanation of Movements in Year</u>	
(577)	Increase/(Decrease) in underlying need to borrow	(175)
-	Assets acquired under finance leases/Right of Use Assets	1,966
(577)	Increase/(Decrease) in Capital Financing Requirement	1,791

24. SHORT TERM DEBTORS AND CREDITORS**SHORT TERM DEBTORS**

PCC Group	PCC		PCC Group	PCC
2023/24	2023/24		2024/25	2024/25
£'000	£'000		£'000	£'000
11,995	11,995	Short-Term Debtor by Source:		
12,693	12,693	Government Departments	9,625	9,625
-	-	Other Police and Local Authorities	15,077	15,077
7,613	7,448	NHS	1	1
32,301	32,136	Other	9,581	9,413
		Total Short Term Debtors	34,284	34,116
25,249	25,084	Short-Term Debtor by Type:		
7,052	7,052	Debtors & Accruals	26,504	26,336
32,301	32,136	Prepayments	7,780	7,780
		Total Short Term Debtors	34,284	34,116

SHORT TERM CREDITORS

PCC Group	PCC		PCC Group	PCC
2023/24	2023/24		2024/25	2024/25
£'000	£'000		£'000	£'000
6,305	1,188	Short-Term Creditor by Source:		
11,224	17,173	Government Departments	9,893	4,524
223	223	Other Police and Local Authorities	14,030	20,294
12,853	8,833	NHS	58	58
30,605	27,417	Other	13,025	9,481
		Total Short Term Creditors	37,006	34,357
30,134	26,946	Short-Term Creditor by Type:		
471	471	Creditors & Accruals	36,464	33,815
30,605	27,417	Income in Advance	542	542
		Total Short Term Creditors	37,006	34,357

The PCC 'Other Police and Local Authorities' creditors figure of £20.294m includes the intercompany creditor of £6.264m with the Chief Constable.

25. SHORT TERM INVESTMENTS

Short term investments relate to those investments which are due to mature within the next 12 months. The movement in short term investments throughout the year is as follows;

	Balance at 1st April 2024 £000	New Investments £000	Investment Maturities £000	Balance at 31 March 2025 £000
Short Term Investments with Financial Institutions	4,000	358,685	(360,685)	2,000
	4,000	358,685	(360,685)	2,000

26. BORROWING**SHORT TERM BORROWING**

This relates to borrowing due for maturing within 12 months.

	Balance at 1st April 2024 £000	Loans Repaid £000	New Loans £000	Transferred from Long Term Borrowing £000	Balance at 31 March 2025 £000
Public Works Loan Board (PWLB)	3,081	(3,081)	-	8,445	8,445
Other Borrowing	3,000	(15,000)	12,000	-	-
	6,081	(18,081)	12,000	8,445	8,445

LONG TERM BORROWING

This relates to borrowing that will need to be repaid after more than one year.

	Balance at 1st April 2024 £000	Loans Repaid £000	New Loans £000	Transferred to Short Term Borrowing £000	Balance at 31 March 2025 £000
Public Works Loan Board (PWLB)	95,231	-	10,000	(8,445)	96,786

Debt at 31st March 2024 £000		Debt at 31st March 2025 £000
3,445	1-2 years	8,254
10,506	2-5 years	10,392
17,780	5-10 years	17,640
18,500	10-15 years	16,500
45,000	> 15 years	44,000
95,231		96,786

27. USABLE RESERVES

The PCC and PCC Group has five revenue reserves and one capital reserve:

Change Management Reserve - This Reserve has been provided specifically to support initiatives that are aimed at securing improvements and will “pump prime” and meet the initial cost of investment in services.

Partnership Reserve - This Reserve was created to allow the PCC/PCC Group to continue schemes that were previously funded by partner agencies and to support partnership work.

Risk Management Reserve - This Reserve will allow the Chief Constable and the PCC to assist in meeting the cost of items highlighted through the Chief Constable’s and the PCC’s risk management processes.

Prices and Pay Reserve – This Reserve has been provided to support increases in inflation that are in excess of the budgeted amount in the short-term. For permanent inflationary pressures the increase will be incorporated into the Police and Crime Commissioners Medium-Term Resource Strategy.

General Reserve - This Reserve is currently being maintained at 3% of the net revenue budget and is designed to cushion the PCC/PCC Group against unforeseen expenditure pressures.

Capital Unapplied Reserve - This Reserve reflects capital grants and receipts that have been received but have yet to be used to fund capital expenditure.

The movements on the usable reserves in the year are:

2024/25	Opening Balance £000	Transfers to/(from) Reserves £000	Closing Balance £000
Revenue Reserves			
Change Management Reserve	14,095	(9,059)	5,036
Partnership Reserve	2,198	2	2,200
Risk Management Reserve	2,000	-	2,000
Prices and Pay Reserve	400	600	1,000
General Reserve	7,000	-	7,000
General Fund Balance	25,693	(8,457)	17,236
Capital Reserves			
Capital Unapplied Reserve	-	-	-
Total Usable Reserves	25,693	(8,457)	17,236

2023/24	Opening Balance £000	Transfers to/(from) Reserves £000	Closing Balance £000
Revenue Reserves			
Change Management Reserve	18,006	(3,911)	14,095
Partnership Reserve	2,241	(43)	2,198
Risk Management Reserve	2,000	-	2,000
Prices and Pay Reserve	2,000	(1,600)	400
General Reserve	6,600	400	7,000
General Fund Balance	30,847	(5,154)	25,693
Capital Reserves			
Capital Unapplied Reserve	-	-	-
Total Usable Reserves	30,847	(5,154)	25,693

28. UNUSABLE RESERVES

The breakdown of the unusable reserves held on the PCC Group/PCC balance sheet is as follows;

2023/24			2024/25	
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
(1,737,648)	(16)	Pensions Reserve	(1,569,465)	(14)
(12,674)	(12,674)	Capital Adjustment Account	(16,528)	(16,528)
78,276	78,276	Revaluation Reserve	71,558	71,558
1,069	1,069	Collection Fund Adjustment Account	1,223	1,223
(3,040)	(17)	Accumulated Absences Adjustment Account	(2,508)	(27)
(1,674,017)	66,638	Total Unusable Reserves	(1,515,720)	56,212

PENSIONS RESERVE

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The PCC/PCC Group accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the PCC/PCC Group makes employer's contributions to pension funds or eventually pay any pensions for which they are directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the PCC/PCC Group has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24			2024/25	
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
(1,686,064)	921	Opening Balance	(1,737,648)	(16)
40,677	791	Actuarial Gains or (losses) on the pensions assets and liabilities	245,500	1,294
(63,613)	(1,762)	Effect of LGPS Pension Asset Ceiling	(54,864)	(1,384)
69,670	218	Reversal of items relating to retirement benefits debited/credited to the Surplus or Deficit on the Provision of Services in the CIES	77,460	230
(98,318)	(184)	Employers Pension Contributions and direct payments to pensioners	(99,913)	(138)
(1,737,648)	(16)	Closing Balance	(1,569,465)	(14)

CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account is credited with amounts set aside by the PCC/PCC Group to finance expenditure on non-current assets and absorbs the timing differences that might arise as a result of setting aside of resources being out of line with accounting charges for depreciation and impairment losses.

2023/24		2024/25
£'000		£'000
(17,019)	Opening Balance	(12,674)
125	Direct Revenue Financing	336
6,562	Minimum Revenue Provision	7,757
-	Revaluation reserve write down re disposals	209
-	Receipts on disposal of non current assets	358
(131)	Carrying value of disposed assets	(462)
(4,788)	Annual depreciation, impairment and revaluations	(15,663)
2,565	Historical cost depreciation adjustment	2,699
12	Application of Government Grants to finance capital expenditure	912
(12,674)	Closing Balance	(16,528)

REVALUATION RESERVE

The Revaluation Reserve contains the gains made by the PCC/PCC Group arising from increases in the value of its Property, Plant and Equipment. A transfer can be made from the Revaluation Reserve to the Capital Adjustment Account to reflect the amount of additional depreciation that has been charged due to increases in value. The balance is also reduced when assets with accumulated gains are revalued downwards or impaired and the gains are lost, or when assets with accumulated gains are disposed of and the gains are realised.

2023/24		2024/25
£'000		£'000
72,126	Opening Balance	78,276
8,715	Revaluation of Non Current Assets	(3,810)
-	Amounts written out relating to sold asset	(209)
(2,565)	Historical cost depreciation adjustment	(2,699)
78,276	Closing Balance	71,558

COLLECTION FUND ADJUSTMENT ACCOUNT

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

ACCUMULATED ABSENCES ADJUSTMENT ACCOUNT

The Accumulated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Funding Balance is neutralised by transfers to/from the Account.

2023/24			2024/25	
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
(2,887)	(17)	Opening Balance	(3,040)	(17)
(153)	-	Adjustment based on calculation for untaken leave	532	(10)
(3,040)	(17)	Closing Balance	(2,508)	(27)

29. PROVISIONS

PROVISIONS

The PCC Group hold a number of provisions on its balance sheet as at the 31 March 2025.

The provisions held are as follows:

SHORT TERM PROVISIONS

As at the end of March 2025 liabilities exist on a number of legal claims against the PCC Group. The exact amount and timing of any resulting claims are currently unknown, therefore an estimated provision of £1,472K (2023/24 £1,149k) has been allocated for by the PCC Group based on information held at the year end.

A provision of £258k (2023/24 £nil) has been made at the year end for targeted variable payments due to be made under Regulation 34 of the Police Regulations 2003. The exact amount and the timing of these payments were unknown as at 31 March 2025, resulting in this provision.

LONG TERM PROVISIONS

A long-term provision of £183k (2023/24 £183k) exists as at the end of March 2025 for potential undercover claims raised. It is likely that there will be a transfer of economic benefit from PCCs to claimants, as claims are made, therefore a long-term provision for the estimated costs to the PCC Group has been created.

As part of the introduction of IFRS16 a decommissioning provision has been created for any site restoration costs where an obligation already exists. The total provision in relation to decommissioning costs as at the end of March 2025 is £5k (2023/24 £nil).

30. CONTINGENT LIABILITIES

CIVIL CLAIMS

A number of potential civil and other claims could be brought against the PCC Group. The current total estimated liability is £2,262k (2023/24 £1,291k). The timing of these claims is very unpredictable and is likely to be over a number of years.

REGIONAL WORKING – EMPLOYMENT OF STAFF

The Regional Collaboration Board has agreed to the adoption of a lead force model to provide managers and staff/officers engaged in Regional Working with consistent Human Resources policy and practices. Under these arrangements police staff will be employed by the lead force on a permanent, substantive basis and Police officers will be seconded.

The PCC for Humberside has agreed to indemnify other PCCs for its share of any costs in the event of any employment tribunal or civil court claims related to regional employment. This indemnity is unlimited. At this time, it is not possible to predict the value or timing of any obligations falling due as a result of this indemnity and so no provision has been made.

McCLOUD PENSION

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is brought into force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2025, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

31. ASSETS AND LIABILITIES IN RELATION TO RETIREMENT BENEFITS

The underlying assets and liabilities for retirement benefits of the PCC and PCC Group at 31 March 2025 and 31 March 2024 are as follows:

	Local Government Pension Scheme		Police Pension Schemes		TOTAL	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Present Value of the Defined Benefit Obligation	(240,373)	(275,330)	(1,568,960)	(1,737,080)	(1,809,333)	(2,012,410)
Fair Value of Plan Assets	358,345	338,375	-	-	358,345	338,375
Effect of Asset Ceiling Adjustment	(118,477)	(63,613)	-	-	(118,477)	(63,613)
Net Asset/(Liability)	(505)	(568)	(1,568,960)	(1,737,080)	(1,569,465)	(1,737,648)
					31 March 2025	31 March 2024
Allocation of Net Asset/(Liability):					£'000	£'000
PCC					(14)	(16)
Chief Constable					(1,569,451)	(1,737,632)
					(1,569,465)	(1,737,648)

PENSION COMMENTARY

The liabilities show the PCC's and PCC Group's long-term commitments to pay retirement benefits. The total net liability of £1,569m has a substantial impact on the net worth of the PCC and PCC Group as recorded in the balance sheet, resulting in a negative overall balance of £1,499m in the PCC Group balance sheet.

In 2024/25, Police and Local Government Pension Schemes have seen a decrease in the overall pension liability. This is primarily due to an increase in gains and losses from changes in financial assumptions, resulting from a significant increase in discount rates compared to last year which places a lower value on obligations.

A continuation in high discount rates has led to a pension surplus on the Local Government Pension Scheme (LGPS) in 2024/25 of £117.972m (2023/24 £63.045m). However, IAS19 restricts, by the way of an asset ceiling, the amount of pension asset surplus which is to be disclosed on an authority's balance sheet. It was deemed by the force's actuary that the net asset ceiling for 2024/25 was £0m (2023/24 £nil), therefore a net asset ceiling adjustment has been incorporated into the force balance sheet of £118.477m. This results in an overall liability of £0.505m for the LGPS. This relates to the liability held for unfunded obligations which are not included within the net asset ceiling requirements.

The last actuarial valuation on the Police Pension Scheme was carried out as at 31 March 2020 and was reported during 2023/24. Resulting amendments to contribution rates have been made for 2024/25. The last actuarial review was carried out on the LGPS as at 31 March 2022. The next actuarial review takes place as at 31 March 2025.

In June 2023 the High Court ruled in the case of Virgin Media Ltd vs NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. The High Court ruling has since been appealed. On 25 July 2024 the Court of Appeal upheld the decision of the High Court. On 5 June 2025 the government announced that relevant certificates have been located in respect of the 2014 reforms. No update has been received as to whether the certificate in respect of the 2008 reforms has been located. The Government has announced that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Due to the ongoing uncertainty around this case and the unknown impact on public service schemes, no allowance has currently been taken into account within the PCC balance sheet. Management will continue to monitor any developments on this case and consider the impact where further information is made available.

32. RECONCILIATION OF PRESENT VALUE OF SCHEME ASSETS AND LIABILITIES**RECONCILIATION OF SCHEME LIABILITIES**

	Unfunded Liabilities: Police Pension Schemes		Funded Liabilities: Local Government Pension Scheme	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
1st April	(1,737,080)	(1,725,850)	(275,330)	(269,884)
Current service cost	(12,920)	(12,600)	(8,532)	(8,531)
Past service costs (including curtailments)	-	20	(343)	(11)
Interest cost	(81,180)	(79,070)	(13,452)	(12,911)
Contributions by scheme participants	(12,450)	(11,710)	(3,180)	(2,747)
Benefits paid	80,782	73,508	7,536	7,402
Remeasurements:				
Gains and losses from changes in assumptions	195,528	38,372	50,355	20,109
Experience gains and losses	(1,640)	(19,750)	2,573	(8,757)
31st March	(1,568,960)	(1,737,080)	(240,373)	(275,330)

The expected budgeted contributions to the LGPS for 2025/26 are £8.1m (2024/25 was £7.8m) and £33m for the Police Pension Fund (2024/25 was £33.7m).

RECONCILIATION OF SCHEME ASSETS

	Local Government Pension Scheme	
	2024/25	2023/24
	£'000	£'000
<u>Present Value of Scheme Assets</u>		
1st April	338,375	309,670
Interest income on Plan assets	16,514	14,785
Employer contributions	9,070	7,816
Contributions by scheme participants	3,180	2,747
Benefits paid	(7,478)	(7,346)
Remeasurements:		
Return on assets excluding net interest	(1,316)	10,703
31st March	358,345	338,375
<u>Effect of Asset Ceiling</u>		
Effect of the Asset Ceiling at 31st March 2024	(63,613)	-
Changes to the Effect of the Asset Ceiling in Year	(54,864)	(63,613)
Effect of the Asset Ceiling at 31st March 2025	(118,477)	(63,613)

33. BASIS FOR ESTIMATING ASSETS AND LIABILITIES

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

The Police Schemes have been assessed by the Government Actuaries Department and the Local Authority Scheme, which is administered by the East Riding of Yorkshire Council, has been assessed by Hymans Robertson, actuaries.

The main assumptions used in their calculations have been:

	Local Government Pension Scheme		Police Pension Schemes	
	2024/25	2023/24	2024/25	2023/24
	%	%	%	%
Rate of Inflation	2.75	2.75	2.70	2.60
Rate of Increases in Salaries	2.75	2.75	3.45	3.85
Rate of increase in Pensions	2.75	2.75	2.70	2.60
Rate for Discounting Scheme Liabilities	5.80	4.85	5.65	4.75
CARE Revaluation			3.95	3.85
Take up option to convert annual pension into retirement grant:				
Pre April 2008 service	80	80		
Post April 2008 service	60	60		

The sensitivity of scheme liabilities to changes in the main assumptions are:

2024/25	Local Government Pension Scheme		Police Pension Schemes	
	%	£000	%	£000
Change in assumption:				
0.5% increase in salaries increase rate	-	1,000	1.00	12,000
0.5% increase in pensions increase rate	10.00	23,765	7.00	111,000
0.5% decrease in discounting of liabilities rate	10.00	24,085	7.00	110,000
1 year increase in member life expectancy rate	4.00	9,615	2.50	36,000

2023/24	Local Government Pension Scheme		Police Pension Schemes	
	%	£000	%	£000
Change in assumption:				
0.5% increase in salaries increase rate	1.00	2,995	1.00	14,000
0.5% increase in pensions increase rate	10.00	26,925	7.50	130,000
0.5% decrease in discounting of liabilities rate	11.00	29,375	7.50	131,000
1 year increase in member life expectancy rate	4.00	11,013	2.50	44,000

Opposite changes in assumptions would produce equal and opposite changes in scheme liabilities. Doubling the changes in assumptions would produce approximately double the change in scheme liabilities.

The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain consistent. The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, the actuary estimates that a one-year increase in life expectancy would approximately increase the employer's defined benefit obligation by around 2.5-4%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply to younger or older ages). The approach taken in preparing the sensitivity analysis is consistent with that adopted in the previous year.

The weighted average duration of the scheme liabilities are:

	Local Government Pension Scheme	Police Pension Schemes
	<u>Years</u>	<u>Years</u>
2024/25	20.0	15.0
2023/24	20.0	16.0

The Police Pension Schemes have no assets to cover the liabilities incurred.

Assets in the LGPS are valued at fair value, principally market value for investments, and consist of the following categories, by proportion of the assets held by the fund:

		2024/25		2023/24
Asset quoted prices:	<u>%</u>	<u>€000</u>	<u>%</u>	<u>€000</u>
Equity securities	-	-	-	-
Debt securities	7.8	27,921	7.8	26,365
Private equity	6.2	22,348	6.2	21,103
Real estate	8.3	29,776	8.3	28,117
Investment funds	76.6	274,353	76.6	259,063
Cash and cash equivalents	1.1	3,947	1.1	3,727
Effect of Asset Ceiling Adjustment		<u>(118,477)</u>		<u>(63,613)</u>
Total		<u>239,868</u>		<u>274,762</u>
In active markets	73.9	264,966	73.9	250,200
Not in active markets	26.1	93,379	26.1	88,175
Effect of Asset Ceiling Adjustment		<u>(118,477)</u>		<u>(63,613)</u>
		<u>239,868</u>		<u>274,762</u>

34. ASSUMED MORTALITY RATES

Mortality rates are projected using published tables. Future mortality improvements are in line with the 2014-based UK principal population projections.

POLICE PENSION FUND**2024/25**

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	21.9	23.9

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	23.3	25.2

2023/24

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	21.9	23.6

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	23.6	25.1

LOCAL GOVERNMENT PENSION SCHEME**2024/25**

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	20.5	23.5

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	21.2	25.0

2023/24

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	20.6	23.5

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	21.4	25

35. REMEASUREMENTS OF THE NET DEFINED BENEFIT LIABILITY

The IAS19 remeasurement movements on the Pensions Reserve can be analysed into the following remeasurement categories, measured as absolute amounts and as percentages of assets or liabilities at 31 March:

LOCAL GOVERNMENT

	2023/24		2024/25	
	£'000	%	£'000	%
Return on assets, excluding net interest	10,703	3.90	(1,316)	(0.37)
Difference between actuarial assumptions about liabilities and actual experience	(8,757)	(3.18)	2,573	1.07
Changes in the demographic and financial assumptions used to estimate liabilities	20,109	229.63	50,355	20.9
Effect of Asset Ceiling	(63,613)	(23.10)	(54,864)	(22.82)
Total IAS19 Remeasurements	(41,558)	(15.09)	(3,252)	(1.35)

POLICE PENSION SCHEMES

	2023/24		2024/25	
	£'000	%	£'000	%
Difference between actuarial assumptions about liabilities and actual experience	(19,750)	(1.14)	(1,640)	(0.10)
Changes in the demographic and financial assumptions used to estimate liabilities	38,372	2.21	195,528	12.46
Total IAS19 Remeasurements	18,622	1.07	193,888	12.36

Allocation of IAS19 Remeasurements:

	2023/24	2024/25
	£'000	£'000
PCC	971	90
Chief Constable	21,965	(190,726)
Total IAS19 Remeasurements	22,936	(190,636)

36. FINANCIAL INSTRUMENTS

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'Financial Instrument' covers both Financial Assets and Financial Liabilities and includes both the most straight forward Financial Assets and Liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives. IFRS 9 Financial Instruments has been adopted however the impact on the Financial Statements is minimal due to the use of only simple financial instruments.

FINANCIAL ASSETS AND LIABILITES

Trade creditors and debtors included as financial instruments are less than the creditors and debtors included in the Balance Sheet as those that are not contractual or are not due to be settled in cash or by another financial instrument are excluded.

The carrying and fair value amounts of financial liabilities and assets held by the PCC Group on the Balance Sheet are:

Financial Liabilities	Balance at 31 March 2025		Balance at 31 March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Trade Creditors	23,653	23,653	18,496	18,496
Cash Overdrawn	-	-	-	-
PWLB Loans	105,231	76,111	98,312	71,729
PFI and Finance Lease Liabilities	1,642	1,642	-	-
Other Loans	-	-	3,000	3,000
Total	130,526	101,406	119,808	93,225

These liabilities relate to loans from the PWLB and local authorities, which are included in the Balance Sheet as outstanding principal (carrying value) and accrued interest, shown separately within current liabilities. Trade creditors and other payables are shown at the invoiced amounts.

The fair value is lower than the carrying amount because the PCC Group's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans in the markets at the balance sheet date. The fair value measurement for loans payable has been provided by the PWLB based on their premature repayment rates. Other Loans represents short term borrowing held at fair value.

The financial liabilities held by the force measured at fair value have been classified as Level 1; quoted prices in active markets for identical liabilities.

Financial Assets	Balance at 31 March 2025		Balance at 31 March 2024	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Trade Debtors	23,270	23,270	22,292	22,292
Deposits with Banks and Financial Institutions	2,000	2,000	4,000	4,000
Total	25,270	25,270	26,292	26,292

Financial Assets include temporary investments that have fixed or determinable payments, but are not quoted in an active market, and trade debtors and receivables based on the invoiced/billed amounts.

The nature and the type of Financial Instruments held by the PCC/PCC Group are not significant in relation to the overall financial position of the PCC/PCC Group.

RECLASSIFICATION/DE-RECOGNITION - The PCC/PCC Group has not reclassified any Financial Instruments during the year as to how they are measured, i.e. at amortised cost rather than fair value and no financial assets have been transferred during the year, in such a way that part or all do not qualify for recognition. No early repayment has been undertaken.

COLLATERAL - The PCC/PCC Group has not pledged any financial assets as collateral for liabilities during the year and holds no collateral as security.

EFFECT OF FINANCIAL INSTRUMENTS ON THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Charges and income to the Comprehensive Income and Expenditure Statement in relation to Financial Instruments are made up as follows:

	<u>Liabilities</u>			<u>Assets</u>	
	<u>PWLB Loans</u>	<u>Short Term</u>	<u>PFI and Finance</u>	<u>Deposits with Banks</u>	<u>Total</u>
	<u>£000</u>	<u>Borrowing</u>	<u>Leases</u>	<u>and Financial</u>	<u>£000</u>
		<u>£000</u>	<u>£000</u>	<u>Institutions</u>	
				<u>£000</u>	<u>£000</u>
Interest Expense	2,285	439	76	-	2,800
Interest Income	-	-	-	(1,697)	(1,697)
Net Affect for the Year	2,285	439	76	(1,697)	1,103

FINANCIAL RISKS

The PCC's and PCC Group's activities expose it to a variety of financial risks.

The PCC Group's overall Risk Management Policy in relation to financial instruments is embedded within the Treasury Management Strategy Statement. The Policy has been prepared to include the requirements of the CIPFA Code of Practice in Treasury Management. In relation to specific risk categories set out above, the PCC Group's position is as follows:

Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the PCC Group.

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the PCC Group's customers.

The PCC Group regards the prime objective of its Treasury Management activities to be the security of the principal sums it invests.

Deposits are made in accordance with the treasury management practices and associated schedules approved as part of the treasury management policy statement.

Customers of the PCC Group are assessed, taking into account their latest financial standing and credit for customers is not generally allowed.

The Debtors at 31 March 2025, includes £24.7m that relates to Central and Local Government organisations, and as such is not classed as a credit risk. The profile of the remaining debtors which are monitored on a regular basis is set out below:

	2024/25 £000	2023/24 £000
Up to Three Months	228	109
More than Three Months	50	148
Total	278	257

Liquidity Risk

Liquidity risk is the possibility that the PCC Group might not have funds available to meet its commitments to make payments.

As at 31 March 2025 the PCC Group had balances on revenue reserves of £17.236m, cash and cash equivalents of £4.0m and deposits with banks and financial institutions of £2.0m. The PCC Group also has access to borrowing from the Public Works Loan Board (PWLB). There is therefore no significant risk that the PCC Group would be unable to meet its financial commitments.

As part of the Treasury Management Strategy Statement the PCC Group considers the maturity analysis of borrowings at the beginning of the financial year in order to manage the profile of debt repayable. The position at 31 March 2025 can be found within Note 25 of these accounts.

Market Risk

Market risk is the possibility that financial loss might arise for the PCC Group as a result of changes in such measures as interest rates and stock market movements.

The PCC Group is not exposed to specific risk in terms of interest movements as both borrowings and investments are at fixed rates. The PCC Group manages its exposure to fluctuations in interest rates with a view to containing its costs within approved budgets within the arrangements set out in its Treasury Management Strategy Statement.

Fluctuations in market interest rates are a factor that is considered when formulating the PCC Group's MTRS which provides a framework for investment and borrowing decisions.

37. NOTES TO THE CASH FLOW STATEMENT

ADJUSTMENTS FOR NON-CASH MOVEMENTS

31 March 2024	31 March 2024		31 March 2025	31 March 2025
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
(28,648)	34	Notional Pension Costs (in excess of) / less than actual pensions paid	(22,453)	92
(4,788)	(4,788)	Depreciation and Impairment	(15,663)	(15,663)
(2,975)	(2,822)	Other non cash movements	(5,505)	(6,047)
(36,411)	(7,576)		(43,621)	(21,618)

ADJUSTMENTS FOR INVESTING AND FINANCING CASH MOVEMENTS

31 March 2024	31 March 2024		31 March 2025	31 March 2025
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
12	12	Capital Grants credited to surplus or deficit on the provision of services	912	912
-	-	Proceeds from the sale of Property, Plant and Equipment Assets	358	358
12	12		1,270	1,270

CASH AND CASH EQUIVALENTS

31 March 2024	31 March 2024		31 March 2025	31 March 2025
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
625	625	Bank Imprest and current accounts	428	428
10	10	Cash in Hand	10	10
-	-	Cash Clearing	-	-
367	367	Short term deposits with banks and building societies	3,600	3,600
1,002	1,002		4,038	4,038

INVESTING ACTIVITIES

31 March 2024	31 March 2024		31 March 2025	31 March 2025
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
6,956	6,956	Purchase of Property, Plant and Equipment	9,079	9,079
611	611	Purchase of Intangible Assets	115	115
(12)	(12)	Capital Grants received	(912)	(912)
-	-	Proceeds from sale of Property, Plant and Equipment	(358)	(358)
295,265	295,265	Purchase of Short Term Investments	358,685	358,685
(295,265)	(295,265)	Proceeds from Short Term Investments	(360,685)	(360,685)
(60)	(60)	Other Receipts from Investing Activities	-	-
7,495	7,495		5,924	5,924

FINANCING ACTIVITIES

31 March 2024	31 March 2024		31 March 2025	31 March 2025
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
(3,000)	(3,000)	Cash Receipts of Short and Long Term Borrowing	(22,000)	(22,000)
3,685	3,685	Repayment of Short and Long Term Borrowing	18,081	18,081
-	-	Cash payments for the reduction of outstanding liabilities in relation to finance leases	324	324
685	685		(3,595)	(3,595)

OPERATING ACTIVITIES

The below table discloses the cash flow of interest received and paid during the year.

31 March 2024	31 March 2024		31 March 2025	31 March 2025
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
(1,175)	(1,175)	Interest received	(1,699)	(1,699)
1,585	1,585	Interest paid	3,185	3,185
410	410		1,486	1,486

38. RELATED PARTY TRANSACTIONS

In accordance with the reporting requirements of IAS 24, the Group is required to disclose details of material transactions with related parties, that is bodies or individuals that have the potential to influence the Group or to be controlled or influenced by the Group.

There are direct relationships between the PCC and several central and local government organisations, the main ones being the Home Office (Police Grant), the Ministry of Justice (Grant) and the four Unitary Authorities (Council Tax/Precepts). These are disclosed elsewhere in the financial statements.

The PCC has direct control over the Group's finances and is responsible for setting priorities through the Police and Crime Plan. The Chief Constable retains operational independence and operates within the budget set by the PCC, to deliver the Force aims and objectives set out in the Police and Crime Plan. Section 28 of the Police Reform and Social Responsibility Act 2011 requires that local authorities covered by the police area must establish a Police and Crime Panel (PCP) for that area. The PCP scrutinises the decisions of the PCC, reviews the Police and Crime Plan and has a right of veto over the precept.

There are also direct relationships between the PCC and other PCCs within the Yorkshire and Humberside region and PCCs in Cleveland, Durham and Northumbria in respect of Regional Collaboration arrangements. Details are disclosed in note 15 to the financial statements.

The Police and Crime Commissioner for Humberside is a councillor for Barton Town Council. During 2024/25 no transactions were made between the PCC and the town council (£nil in 2023/24).

The Chief Constable is represented on the National Police Chiefs Council which is an independent professional body of chief police officers and senior staff equivalents.

The Deputy Chief Constable and the Assistant Chief Officer of the force are Directors of the Emergency Services Fleet Management (Humberside) Ltd. Emergency Services Fleet Management (Humberside) Ltd is a joint operation that provides vehicle maintenance services to Humberside Police and Humberside Fire Authority. The company supplied services with a value of £2,451,255 to Humberside Police during 2024/25 (£2,291,715 in 2023/24). The PCC Group leases part of its Melton workshop facility to the company for which a rent of £198,799 was charged in 2024/25 (£198,799 2023/24). Other income received totaled £35,527 in 2024/25 (£42,591 2023/24). Details of Humberside Police's share of income, expenditure, assets and liabilities of this joint operation are disclosed in Note 15 to the financial statements.

The Police and Crime Commissioner for Humberside, Deputy Chief Constable and Chief Finance Officer for the Chief Constable are all board members for the North East Business Resilience Centre, a police-led not-for-profit organization that provide cyber security support to small businesses. During 2023/24 a total of £200,000 in NPCC regional cyber grant payments were made to the organization from the PCC Group (£113,857 2023/24).

The Chief Executive of the OPCC is a non-executive director on the board of Ongo Homes, a social housing provider in North Lincolnshire. During 2024/25 no transactions were made between the PCC Group and Ongo Homes (£nil in 2023/24).

The spouse of the Chief Finance Officer for the Police and Crime Commissioner is the finance director for the safety business unit at NEC Software Solutions. During 2024/25 payments of £101,854 were made by the force to NEC Software for IT services (£105,322 in 2023/24).

The Chief Finance Officer and the Deputy Chief Finance Officer to the PCC are seconded from Humberside Fire and Rescue Services for 40% of their time. The Office of the Police and Crime Commissioner for Humberside contributes towards all relevant pay and employee costs for this proportion of their time. The Police and Crime Commissioner for Humberside is also a member of the Humberside Fire Authority. The joint operations ran by both the PCC Group and Humberside Fire are detailed in note 15 to the financial statements.

A survey of the Police and Crime Commissioner for Humberside, Senior Staff within the OPCC, the Chief Constable/Senior Officers of Humberside Police and parties related to them was undertaken in preparing these financial statements. Except as disclosed above, no material related party transactions were identified.

39. EVENTS AFTER THE BALANCE SHEET DATE

The unaudited draft Statement of Accounts were issued on 30 June 2025. The PCC Group reviewed events occurring between 31 March and the issue date, and did not identify any additional events that were adjusting events in respect of conditions existing at the Balance Sheet date.

POLICE PENSION FUND ACCOUNTS

The Code of Practice on Local Authority Accounting sets out the accounting treatment for the Police Pension Fund Accounts in the financial year 2024/25.

The Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. All payments and receipts are made to and from the Police and Crime Commissioner for Humberside's ("PCC") Police Fund. These Police Pension Fund Accounts do not form part of the Chief Constable's or PCC Group Financial Statements.

TRANSACTIONS RELATING TO RETIREMENT BENEFITS

As part of the terms and conditions of employment of its officers and other employees, the PCC Group offers retirement benefits. Although these benefits will not actually be payable until employees retire, the PCC Group has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The PCC Group participates in the following pension schemes:

The Police Pension Schemes for police officers – three schemes were provided for police officers, the 1987 Scheme, the 2006 scheme and the 2015 scheme. From 1 April 2022 all active scheme members have been transferred into the 2015 scheme due to the end of the police pension remedy period. The 1987 and 2006 schemes are now closed to future pension build up.

The 2015 pension scheme has officers' contributions in a range of 12.44 to 13.78% (2023/24 12.44 to 13.78%). All schemes are unfunded schemes, i.e. no investment assets are built up to meet the pensions liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Local Government Pension Scheme for police staff, administered by the East Riding of Yorkshire Council – is a funded scheme, i.e. the PCC and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The accounting and funding arrangements for Police Pensions are detailed below:

POLICE PENSIONS FUND ACCOUNT

2023/24 £'000		2024/25 £'000
	CONTRIBUTIONS RECEIVABLE	
	Police and Crime Commissioner ("PCC"):	
(24,183)	- contributions at 35.3%	(28,236)
(344)	- early retirements - Ill Health	(623)
(11,471)	Officers' Contributions	<u>(12,540)</u>
		(41,399)
	TRANSFERS IN	
(303)	Transfers in from other Pension Schemes	(208)
	BENEFITS PAYABLE	
63,167	- Pensions	67,555
10,583	- Commutations and lump sum retirement benefits	13,899
-	- Lump sum death benefits	<u>-</u>
		81,454
	PAYMENTS TO AND ON ACCOUNT OF LEAVERS	
113	- Refunds of contributions	169
53	- Transfers out to other Pension Scheme	80
-	- Transfers out to other Police Forces: 1974 arrangements	<u>-</u>
		249
37,615	NET AMOUNT PAYABLE FOR THE YEAR BEFORE TRANSFER FROM THE PCC	<u>40,096</u>
(35,353)	Additional funding payable by the PCC to meet the deficit (funded by the Home Office)	(36,179)
(2,262)	Additional funding payable by the PCC to meet the deficit (NOT funded by the Home Office)	(3,917)
<u>-</u>	NET AMOUNT PAYABLE/RECEIVABLE FOR THE YEAR	<u>-</u>

NET ASSETS STATEMENT

2023/24 £'000		2024/25 £'000
	CURRENT ASSETS	
3,168	Police Fund Debtor - Home Office	-
125	Police Fund Debtor - Other	-
5,533	Pensions Paid in Advance	5,749
	CURRENT LIABILITIES	
-	Police Fund Creditor - Home Office	3,900
61	Police Fund Creditor - Other	-
8,765	Humberside Police and Crime Commissioner	<u>1,849</u>
<u>-</u>		<u>-</u>

NOTES TO THE POLICE PENSION FUND ACCOUNTS

The Police Officer Pension Schemes make up the account:

- 1987 Police Pension Scheme (no longer holding active members)
- 2006 Police Pension Scheme (no longer holding active members)
- 2015 Police Pension Scheme

PCCs are obliged to include the Pension Fund Account in their Statement of Accounts in accordance with regulation 7(1)(d) of the Accounts and Audit Regulations 2003. The Fund is administered and managed by the Humberside Police Finance Section.

The fund is charged with all pensions expenditure in accordance with Home Office guidance, with income being employee contributions, employer contributions, which for 2024/25 was 35.3% of pensionable pay (2023/24 31%).

Other income items within the fund are transfer payments from other pension schemes and a capital charge that is twice the average pensionable pay of officers that retire on ill health.

The Home Office provide a pension “top up” grant to fund differences on the fund account, 80% is received up front for the relevant financial year, with the balance provided on submission of the PCC’s financial statements.

There has been an adjustment of 4.3% to the cash flow to the Police Pension Fund due to the increase in the employer contribution rate from 31% to 35.3% being reflected in an increase in HM Treasury pensions top up funding of £3,917k (2023/24 £2,262k).

There are no investment assets, the fund is balanced to nil at the yearend by either a contribution from the Police Fund, or if a surplus balance on the fund, a transfer to the Police Fund.

The fund does not account for benefits payable in the future (IAS 19 Employee Benefits), which is a divergence from the accounting policy for the Police Fund Account as stated in the statement of accounting policies. Details of the long term pension obligations and the cost of pensions can be found in the PCC Group’s financial statements.

Employees’ and employer’s contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to triennial revaluation by the Government Actuary’s Department.

The responsibility for future pension benefits still lies with the PCC Group, through the Police Fund Account. The responsibility for amounts due to/from the Fund Account and the Home Office is shown within the Police Fund, not the Pensions Fund.

As previously stated the Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. All payments and receipts are made to and from the PCCs Police Fund. As such, the Chief Constable and the PCC are the only related parties to the Fund and all the transactions shown in the Police Pension Fund Accounts have been processed through the PCC.

GLOSSARY OF ACCOUNTING TERMS

The PCC and PCC Group has adopted the International Financial Reporting Standards (“IFRS”) based Code of Practice on Local Authority Accounting as its standard basis of accounting.

Definitions of accounting terms used are given below:

Term	Definition
Accounting period	The period of time covered by the financial statements, normally a period of twelve months.
Accruals basis	Under the accruals concept, expenses are recognised when incurred, not when the cash is actually paid out, and revenue is recognised when it is earned, not when the cash is actually received.
Agency cost	Services which are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.
Amortisation	The term used for depreciation of intangible assets such as the annual charge in respect of computer licenses the PCC/ PCC Group has purchased.
Asset	An item owned or leased by the PCC/ PCC Group, which has a value, for example, land and buildings, vehicles, equipment, cash.
Assets held for sale	Assets are held for sale if their value will be recovered through a sale transaction rather than through continuing use.
Balance Sheet	This represents a summary of all the assets and liabilities of the PCC/ PCC Group.
Capital expenditure	Expenditure on new assets or on the enhancement of existing assets so as to prolong their useful life or enhance value.
Capital Financing Account	This account represents amounts set aside from revenue or capital receipts to finance expenditure on property, plant and equipment or for the repayment of external loans and certain other capital financing transactions.
Capital Financing Requirement (CFR)	The Capital Financing Requirement is a measure of the extent to which the PCC/ PCC Group needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any point in time.
Capital receipts	Proceeds from the sale of property, plant and equipment.
Carry overs	These are underspends at the end of the financial year, which are carried forward into the next financial year to support that year’s expenditure plans.
Cash and cash equivalents	Cash includes cash held in bank accounts and cash in hand. Cash equivalents are assets that can be readily converted into cash such as deposits and certain short term investments.
CIPFA	The Chartered Institute of Public Finance and Accountancy. This is the main professional accountancy body relating to the public sector.
Collection Fund	Precept Income is collected on behalf of the PCC by the four billing Authorities (East Riding of Yorkshire Council; Kingston upon Hull City Council; North East Lincolnshire Council and North Lincolnshire Council). The precept income is then paid to the PCC as Precept Income.
Contingent asset or liability	An asset or liability that is not recognised in the financial statements due to the level of uncertainty surrounding it but is disclosed as it is possible that it may result in a future inflow or outflow of resources.

Creditors	Amounts owed by the PCC/ PCC Group for goods received or services rendered but not yet paid for at the end of the financial year.
Current asset or liability	An asset or liability that the PCC/ PCC Group expect to hold or discharge for a period of less than one year from the Balance Sheet date.
Debtors	Sums of money due to the PCC/ PCC Group for work done or services supplied but not received at the end of the financial year.
Deferred liabilities	Liabilities which by arrangement are payable beyond the next year at some points in the future or paid off by an annual sum over a period of time.
Depreciation	The accounting charge representing the use of property, plant and equipment assets which spreads the cost or value of the asset over its useful life.
Employee benefits	All forms of consideration given to employees for services rendered. These are salaries and wages, social security costs (national insurance), superannuation contributions, paid sick leave, paid annual and long service leave and termination payments.
Financial instruments	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.
Going concern basis	The underlying assumption used in producing the financial statements that the PCC/ PCC Group will continue to operate for at least 12 months from the Balance Sheet date.
Impairment	The fall in the value of an asset.
Income Received in Advance	Income received that should be classed as a benefit in the next financial year.
Intangible assets	Capital expenditure which does not create a tangible asset.
Inventories	Stocks held by the PCC/ PCC Group such as uniforms, fuel etc.
Leases	A method of financing expenditure over a period of time. Under IFRS16 assets leased into the force are classified as Right of Use assets on the balance, with a corresponding lease liability.
Liability	An amount owing to a third party such as a loan or unpaid invoice from a supplier.
Minimum Revenue Provision (MRP)	The Minimum Revenue Provision is the amount required by statute that the PCC/ PCC Group must fund to cover the redemption of external debt, including any supported or unsupported borrowing used to fund capital; the MRP amount being equal to the capital expenditure funded by the borrowing over the expected life of the assets.
Medium Term Resource Strategy (MTRS)	The MTRS covers a 5 year period and describes the financial direction of the Chief Constable and the PCC capturing known and estimated funding, financial pressures, staffing resources and development needs as well as seeking to identify financial risks. It is an indication of the likely direction of financial planning over the next year.
Net assets	Total assets less total liabilities.
Non-current asset or liability	An asset or liability that the PCC/ PCC Group expects to hold or discharge for a period of more than one year from the Balance Sheet date.
Non Distributed Cost	This is where overheads are not charged or apportioned to activities within the SeRCOP service expenditure analysis.
Precept	A levy which the PCC makes through the Council Tax to pay for services.
Prepayment	Where an amount of expenditure is paid in the current financial year, but the goods or services are a benefit in the next/following year.
Provision	An amount set aside to provide for a liability which is likely to be incurred but the exact amount and the date on which it will arise are uncertain.
Prudential Borrowing	This is the borrowing as part of funding of capital expenditure, where no actual loan is taken out to match the element of expenditure incurred. The affect is shown through the Capital Financing Requirement and is the amount to be funded when all other funding types i.e. capital grant, revenue, capital receipts etc. have been used.

Remeasurements of the Net Defined Benefit Liability	For a defined benefit pension scheme, the changes that arise because : events have not coincided with actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.
Reserves	General reserves are accumulated balances available to support revenue or capital spending and meet unforeseen events. Earmarked reserves are amounts set aside for an agreed purpose in one financial year and carried forward to meet expenditure in future years.
Revenue expenditure	Spending on day to day items, including salaries, premises costs and supplies and services.
The Code	The Code of Practice published by CIPFA, relating to Local Authority Accounting in the United Kingdom and is issued each year.
Unrealised gains and losses	Unrealised gains and losses are those which have been recognised by the PCC/PCC Group in its financial statements but are only potential gains as they have yet to be realised, such as rises and falls in the value of land and buildings due to changes in the property market. The gain or loss only becomes realised when the property is sold.

Acronyms and Abbreviations

CARE	Career Average Revalued Earnings
CIES	Comprehensive Income and Expenditure Statement
CIPFA	Chartered Institute of Public Finance and Accountancy
ESFM	Emergency Services Fleet Management
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
JES	Joint Estates Services
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LGPS	Local Government Pension Scheme
MRP	Minimum Revenue Provision
MTRS	Medium Term Resource Strategy
NPCC	National Police Chiefs Council
OPCC	Office of the Police and Crime Commissioner
PCC	Police and Crime Commissioner
PCP	Police and Crime Panel
PCSO	Police Community Support Officer
PRSRRA	Police Reform and Social Responsibility Act
PWLB	Public Works Loans Board
SeRCOP	Service Reporting Code of Practice for Local Authorities
VAT	Value-Added Tax
VFM	Value for Money